

# Railway Age

JULY 5, 1941

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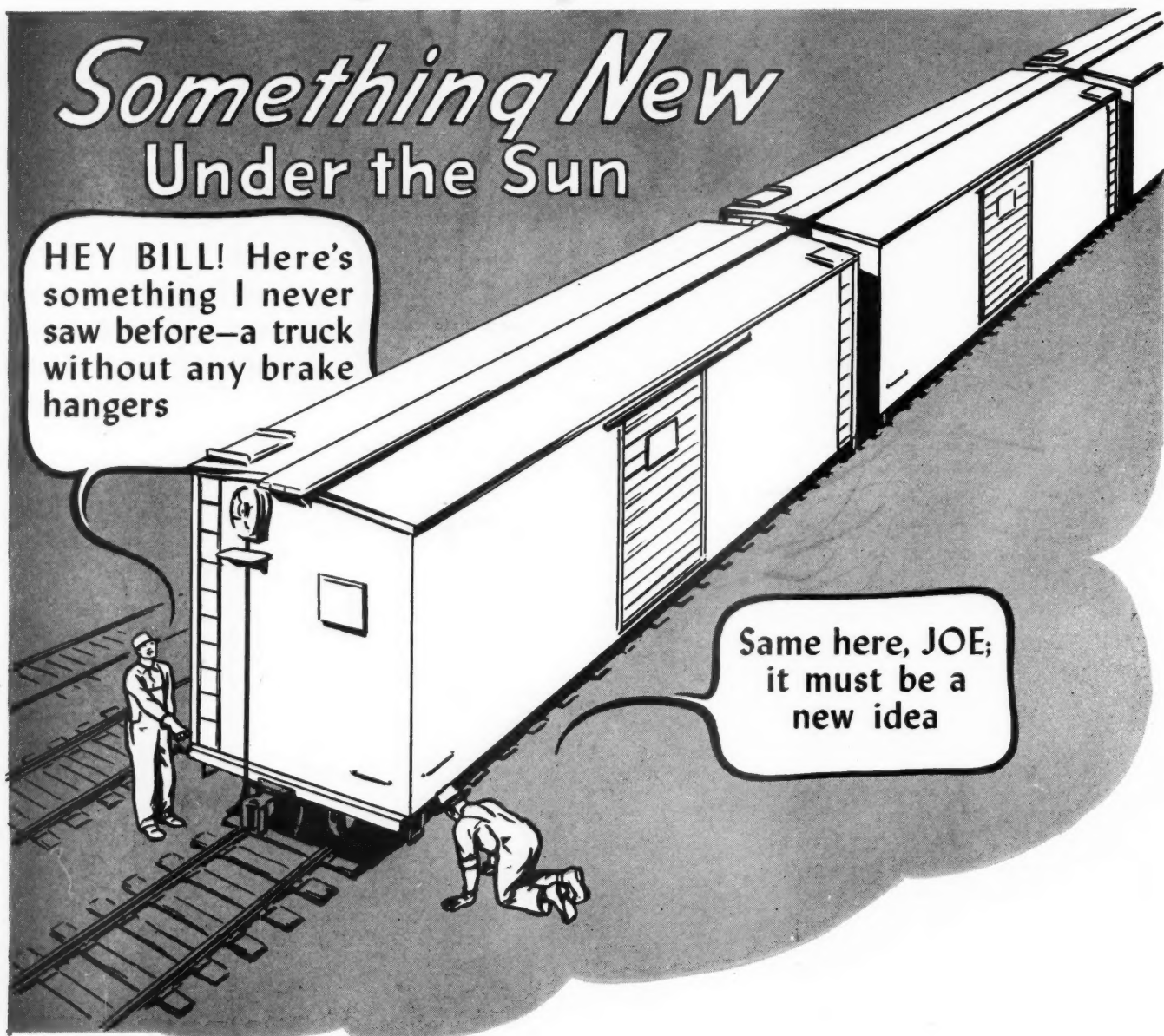
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No. 1

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## RAILWAY AGE

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# Wars to Grab Property— Abroad and at Home

Wars to grab other people's property are not being waged abroad only. A great one is being waged for that purpose right here in the United States—a war especially against our middle class.

A member of the middle class, regardless of his wealth or income, may be defined as any person who wants to (1) increase his earnings as much as possible by his own exertions, and (2) increase his property and the income from it by saving and investing as much of his income as he reasonably can. He believes in true democracy and equality; but he believes that true economic equality consists of **equal** rewards for **equal** work and saving, and **unequal** rewards for **unequal** work and saving. Believing he has more than average ability, and being willing to make more than average effort and sacrifice, he does not want to depend, and usually does not depend, on politicians or labor unions to secure advantages for him at the expense of others. He is willing and anxious to meet all comers in free and honest competition; and he regards as lazy, if not immoral, anybody who tries to secure artificial advantages by means that prevent free competition, and thereby prevent equal rewards for equally efficient and useful work, and **unequal** rewards for **unequally** efficient and useful work.

During the long prevalence of this middle-class economic philosophy in the United States the greatest income per worker of every class, whether with brain or hand, and the greatest income and wealth per capita, ever known in the world's history were produced and accumulated in this country. But this middle-class competitive economic philosophy recently has been largely supplanted by a non-competitive socialist economic philosophy which, in the names of "equality" and "security," demands **equal** rewards for **unequal** ability, effort and thrift. This socialist philosophy appeals forcibly to the many members of the wage-earning class who don't want to have to do more than average work to get more than average income; and it is not rejected, if they think they see a chance to gain by

it, by some other members of society who ought to have intelligence and enough sense to know that in the long run they have everything to lose by it.

### The Case of the North Western

We cite the case of the Chicago & North Western Railway Company as a classic example of the way this socialist economic philosophy works to ruin the middle class, especially when representatives of great investing institutions join with members of labor unions to "get theirs" regardless of consequences to anybody else. In the five years 1925-1929, inclusive, the North Western earned net operating income averaging almost 23 million dollars a year. In the five years 1931-1935, inclusive, it earned an average of only 4½ million dollars annually. On the basis of the net operating income it made in the years 1931-1935 the Interstate Commerce Commission based a plan of reorganization wiping out its entire 181 million dollars of preferred and common stock, reducing its fixed charges 80 per cent, and distributing among its creditors all the new securities to be issued to replace the old.

The *Railway Age* repeatedly has denounced the similar proposals of the Interstate Commerce Commission for the reorganization of the North Western and twenty-four other bankrupt railways upon the ground that they were based on the worst depression earnings in history—earnings, both gross and net, that were so bad, and later continued to be so bad, largely because of New Deal administration socialistic policies that protracted the depression while unwarrantably increasing railway expenses and taxes. We have contended that, with a substantial increase in the country's business and traffic—if the New Dealers would ever let them increase—the railways, with only their reduced share of the total traffic, could demonstrate an earning capacity far in excess of that indicated by the Commission's reorganization plans. Nevertheless, the "institutional" holders of the North Western's bonds—all

supposed to be defenders of private enterprise and, therefore, opposed to confiscation of property—have gone into court, defended and advocated adoption of some of the Commission's plans, and succeeded in getting the lower courts to approve that of the North Western and some other railways.

### **Net Operating Income Five Times That of 1931-1935**

Consider now, what has occurred to date on the North Western—which is typical of what has occurred on the railways as a whole, including those in bankruptcy. In the first five months of the five years 1925-1929, inclusive, the North Western's net operating income averaged \$5,955,000. In the first five months of the five years 1931-1935, inclusive—the years upon its earnings in which its reorganization plan is based—its net operating income averaged only \$263,000. But in the first five months of 1941, when it had a largely increased traffic, its net operating income was \$5,391,000—20½ times as great as it averaged in the first five months of 1931-1935, inclusive, and 90.5 per cent as large as in the first five months of 1925-1929, inclusive. If its net operating income throughout 1941 should be as large compared with 1925-1929, inclusive, as it was in the first five months, its net operating income this year would be \$20,500,000. Assuming its non-operating income will be the same as in 1939, its **gross income** (before its old fixed charges) in 1941 would be about \$22,250,000 and its net income (after its old fixed charges) would be almost 6 million dollars—or \$3.20 for every share of its old preferred and common stock.

The Commission held that its fixed charges should be reduced from about 16½ million to 3½ million dollars a year, because the latter amount was all it could reasonably be expected to pay; but it is now earning enough to pay **seven times** this amount. And—God save the mark!—the Commission is supposed to be “expert” regarding railroad matters—and even “railroad-minded!” The North Western's stockholders surely have good reason for carrying to the Supreme Court their appeal to have set aside the order of the lower federal court approving the Commission's plan.

### **Conditions “Abnormal” Now—But Also in 1931-1935**

But, it may be said, the present earnings are due to extraordinary conditions and government policies that have caused an abnormal increase of production and traffic. True; but also abnormal were the conditions and government policies prevailing in 1931-1935 when the North Western's net operating income averaged only one-fifth as much as in 1925-1929 and as it is making now. There was absolutely no sense in the conditions that prevailed after 1932; because natural recovery began in the last one-third of that year, and probably would have caused the volume of business and traffic to be as large by 1935 as in 1929 if the New Deal administration had not begun in the first half of

1933 the adoption of economic policies wholly devoid of sense.

There had actually occurred so much recovery after the summer of 1932 that in the three months May, June and July, 1933, the freight business of the railways was 26 per cent larger than in 1932 and their net operating income was 164 million dollars—a **figure never since equalled in that three months of any year**. The New Deal's new economic policies stopped recovery in general business and on the railroads dead in its tracks. Surely these facts and the probability that recovery would some time occur and the railways would regain their earning capacity—as definitely predicted by the Interstate Commerce Commission itself in 1931—should have been considered by the Commission; instead of which it held, in effect, that the depression would be eternal and upon this premise based its confiscatory and immoral plans of railway reorganization.

### **Government and Labor Unions Versus the Middle Class**

But, it may be said, what we are now having is not recovery. Evidently it is not; but we could and would have had recovery excepting for the fool policies of a government of which the Commission is a part; and what is occurring now does demonstrate (1) how much the nation could and would have increased its production and (2) how much the traffic and earnings of the railways would have increased if the New Dealers had let recovery occur. Again, it may be said that, although the railways are now making net earnings approaching those of the prosperous 20's, the railway labor unions have proceeded, as soon as earnings have begun to improve, to make huge demands which, if they were wholly or even largely complied with, would wipe out most, or more than all, of the increase in net operating income occurring. And at that point we get back to the socialist movement and the socialistic government policies tending, and apparently intended, to ruin the country's middle class.

To defray federal government **civil** expenditures exceeding by almost 5 billion dollars a year those of 1933, and in addition to make vast and wholly unprecedented expenditures for defense, there are being made huge additional increases in an already unprecedented national government debt and in taxes. The great bulk of these increases in national indebtedness and in taxes is being loaded upon the middle class because, owing to its superior ability, energy and thrift, it owns, directly and indirectly, the great bulk of the country's property and gets a corresponding part of the national income.

We have been told repeatedly by the highest officials of the New Deal administration that we must all work and sacrifice as never before to provide needed production and taxes. And now come the leaders of the railway labor unions and demand that railway employees' contributions to the required effort, production and sacrifice shall consist of reductions of the work they do and

increases in their pay making it average 41 per cent more than now, 62 per cent more than in 1929 and 85 per cent more than in 1929 measured by the cost of living. Who would pay this? The great bulk of it would be paid by the middle class who run businesses, pay railway rates and own property, including most railway securities. If a large part of it were loaded on owners of railway securities, there would be realized the Interstate Commerce Commission's optimistic dream that the nation's railways would never be able to make more net earnings than they averaged in 1931-1935.

### **Equal Pay for Unequal Brains and Effort**

The time came long ago to begin asking whose country this is. It has belonged in the past to all the people who were willing to work, and principally to those who were willing to work and save more than others. Has the time come when we have decided that, in principle and in fact, it should or does belong mainly or almost entirely to those who lack average ability, energy and thrift and who work only with their hands? Has the time come when by organized action they can apply economic and political pressure enabling them to seize a portion of the national income vastly exceeding what their work contributes to it?

The Chicago Tribune on June 17 published a letter purporting to be from a railroad conductor. He said, among other things, "All men are created equal." We are entitled to some of the luxuries of life, **the same as the officials are.**" The implication is plain—there should be equal pay for unequal work. That is the doctrine of socialism, the doctrine upon which communism in Russia is based—or formerly was based; and on which the promotion of communism throughout the world is based; and a doctrine now widely accepted in this country, because those accepting it believe they have much to gain by it and don't know (or care) that it is the doctrine of communism.

They tried it in Russia; and it resulted in so little production and so much starvation that the Stalin autocracy has abandoned it there; but communists claim it is still the policy in Russia; and, therefore, there is much sympathy in this country with Russia by persons who want to see the communist experiment tried here. Consequently, although the government of Russia is the most murderous and bloody tyranny ever known in the world's history, and the "workers" and peasants there have been reduced to slave labor, there are many in this country, now that Germany has attacked Russia, who want to see the United States enter the war to help make the world safe for communism, and thereby promote the establishment in this country of Russia's supposed policy of equal pay for unequal work.

### **"Institutional" Investors Who Help Confiscation**

With the aid of American communists notoriously in the pay of Stalin, that is the policy which labor-union

leaders, including the leaders of the railway labor unions, are trying to establish now in the United States. They claim to be "conservative" and to abhor communism; but their program is, by organized pressure, to secure such high pay for the members of their unions that owners of property would be deprived of income from it and have it left valueless in their hands. That clearly is the program that they are trying to fasten on our railways—and with the aid and co-operation of the Interstate Commerce Commission and the "institutional" holders of railway securities.

If the railways should continue to make as much net earnings as they are making now—and they would if recovery occurred without utterly unwarranted increases in their taxes and wages—the re-organization plans of the Interstate Commerce Commission would thereby be proved to be utterly confiscatory of the property of the stockholders of bankrupt railways and a bonanza for their bondholders. On the other hand, if the railway labor unions should be successful in their program, railway employees would be the beneficiaries, temporarily at least, of a much more widespread confiscation of both stocks and bonds belonging principally to middle-class owners of railway securities.

Karl Marx, the founder of modern socialism, said "Workers of the world, arise! You have nothing to lose but your chains." This might well be paraphrased to read, "Middle class of America, arise! You have nothing to lose but your property and income." Your enemies are organized, powerful, determined, ruthless. Communism is on the march. You had better become organized, determined and very active in exerting political and economic pressure, or one of these days you will find the doctrine of equal income for unequal brains, ambition, work and thrift has been so completely and drastically applied by labor unions and your government that your individual efforts to get along better than the average, which already are regarded by the "masses" and their political and labor union leaders as unsocial and immoral, have been legislated into a crime—as was done in Russia.

### **"Robbing Selected Peter to Pay for Collective Paul"**

Said Kipling, "In the carboniferous epoch they promised abundance for all, by robbing selected Peter to pay for collective Paul." They are again making that promise, and trying to make good on it in the same way. They are trying to establish a system under which, as he said, "all men are paid for existing, and no man pays for his sins"—and especially not for the sin of laziness.

It is a very old system, as Kipling indicated by showing it had been tried since the early geological ages. It is also, as Kipling pointed out, a very bad system that has never long worked well for anybody and leads swiftly back to widespread starvation, as it did in Russia. And its first victims are always the middle class. In Russia, in order to carry it out, they not only con-



fiscated all the middle class' property, but stood them against a wall and shot them. Perhaps they will be more merciful here and, as in Germany, let members of the middle class who are not put in jail stay on the job, nominally retain ownership and management of their property, and only confiscate the profits. But wherever tried, the system of "democratic equality" consisting of equal income for unequal work has always first ruined the middle class; and the middle class in this country had better organize and get on the job if it wants to

prevent a complete and ruinous trial of that system here.

And we venture to add to "institutional" holders of railroad bonds that their co-operation with labor-union leaders and politicians in efforts to confiscate the property of railway stockholders is, to state it mildly, inconsistent and unbecoming of persons themselves engaged in private enterprise, and who denounce others for trying to use governmental power to confiscate property and destroy private enterprise.

## ***"Added Cost" Pricing in the Public Interest?***

The Commonwealth Edison Company of Chicago is a public utility engaged primarily in producing electric energy. The Illinois Central Railroad is also a public utility, whose business, as everybody knows, is manufacturing and selling transportation. The law of the land provides that the rates and charges of both of these utilities are "affected with a public interest" and hence are subject to reasonable regulation by designated public authorities.

In the proper conduct of their respective businesses it is necessary for both of these utilities to provide a large amount of "stand by" equipment—in order to be ready to meet the maximum predictable public demand. Neither utility can refuse to meet any reasonable call for its service.

Because of the unusual ratio of "stand by" equipment needed by both of these utilities—due to the great variation in seasonal and hourly demand—their "fixed" (as opposed to their "variable") costs are quite large, and may amount to more than 50 per cent of their total costs. Both of them also have an unusually large potential amount of utilizable service that is pure economic waste if not used.

When the Commonwealth Edison was informed that the Illinois Central intended to electrify its Chicago suburban service (and thus become one of the largest potential consumers of Edison service in the Chicago area), the electric utility set about to determine whether it could give the I. C. the benefit of some of its "stand by" equipment and thus quote a price which—while profitable to the utility—would be a lower figure than the Illinois Central could make for itself, if it built its own plant. The Edison company quoted such a figure—which increased its own net earnings while it saved money for the railroad.

No one questioned the right or the wisdom of the Commonwealth Edison Company management in taking on this new business on this basis; and the company was thus enabled to reduce its average unit costs, and to place itself in a better position to provide the public at large with more economical service (its previous power load being relieved of at least some of the costs of its "stand by" plant).

When the Illinois Central discovered that the improvements made by the government to navigation on the Illinois river were enabling the Commonwealth Edison Company to produce power at a lower cost for fuel, by transporting coal on the Illinois river in its own barges and depriving the railroad of a large amount of traffic, it set about

to determine at what rate it could handle this barged coal, rather than lose it entirely. It proposed a reduction of 25 per cent in its rate—applying only on quantities of 2,500 tons, limited to the location where the competition was occurring. There has been objection to this proposal by those who fear that the reduction, carefully circumscribed as it is, might spread to other situations.

The circumstances are somewhat similar to those in the Black Strap Molasses case. The rates authorized in that case were limited to the movement where the competition actually existed; they do not appear to have disturbed rates on any other movement. There appears to be no reason why a different result could be expected in this instance.

Some may wonder, if railroads made reductions sufficient to recover this and other similar traffic, whether they would be much better off financially than they are today. The experience of the electric power industry suggests that they would. The power companies produced and sold 40 billion kw. h. of electrical energy in 1922. In 1939 their production and sales totaled 122 billion kw. h. The railroads have followed a radically different pricing policy, and have had a less satisfactory trend of sales volume.

It cannot be truly said that freight traffic has "dried up." The pipe lines, trucks and waterways which parallel much of the railroad mileage are now handling one-third of the total traffic. There is reason to believe that much of this business moving by competing forms of transportation (except by sea-going tankers and some pipe lines) could have been retained by the railroads if they (the regulatory authorities permitting) had tackled each specific competitive situation of any magnitude with the "added cost" technique, which is standard practice with the utilities.

The day of the utility with a complete monopoly has passed. Large users of electric power with a business giving a favorable load factor can usually produce their own power more cheaply than a public utility (with its burden of intermittent users) can produce it—that is, if the public utility tries to apply *average total costs* to this large user. If the utility goes out after this business on an "added cost" basis, he will get at least some help from this customer in meeting his fixed costs. Otherwise, *all* the fixed costs will have to be met by charges levied on regular customers. Wherein do the principles applicable to railroad pricing differ from these?

# Supply Division A. A. R. Ready



**A. C. Mann**  
Chairman, Div. VI, A. A. R.

**T**HE 19th Annual Meeting of the Purchases and Stores Division, Association of American Railroads, will be held in the Palmer House, Chicago, on Thursday and Friday, July 10 and 11. The convention will be addressed by five speakers—H. A. Scandrett, trustee, Chicago, Milwaukee, St. Paul & Pacific; C. H. Buford, vice-president, A. A. R.; Walter F. Tower, president, American Iron and Steel Institute; C. E. Smith, vice-president, New York, New Haven & Hartford; and G. M. Crowson, assistant to president, Illinois Central. It will also receive and discuss reports from 22 standing committees. The meetings will be open to the railroad public.

Registration of members will begin at 9 a. m., Chicago central daylight saving time, on Thursday; the meeting will convene at 10 a. m. on Thursday; and at 9:30 a. m. on Friday. The officers of the Division are Chairman A. C. Mann, vice-president, Illinois Central; Vice-Chairman L. P. Krampf, supply agent, Missouri Pacific; and Secretary W. J. Farrell.

Details of the program are as follows:

Five speakers to address annual meeting at Palmer House, Chicago on July 10-11

## THURSDAY, JULY 10, 1941

Address by H. A. Scandrett, trustee, C. M. St. P. & P.

Address by C. H. Buford, vice-president, A. A. R.

Communications.

Appointment of Committees on Resolutions and Memorials.

Action on Minutes of 1940 Annual Meeting.

Report of General Committee.

Discussion of Reports on

Purchasing and Stores Manual

Standard Material Classification

Scrap, Handling, Classification and Sale

General Reclamation

Material Stock Report—Pricing-Inventory

Forest Products

Address by Walter F. Tower, president, American Iron and Steel Institute.

Discussion of Reports on

Purchasing and Storekeeping for Highway Vehicles

Guarantees, Quantity Price Differentials

Fuel

Shop Manufactured Materials

Stationery and Printing

Fire Prevention and Safety

Storage and Material Handling Facilities

Terminal Railway Storekeeping

Loss and Damage Prevention

Diesel Engine Parts

## FRIDAY, JULY 11, 1941

Presentation of Annual Contest Winners:

Report on Public Relations.

Address by G. M. Crowson, assistant to president, Illinois Central

Report on Simplification and Standardization of Stores Stock

Address by C. E. Smith, vice-president, New York, New Haven & Hartford

Reports on

Supplies for Dining Cars, Hotels and Commissaries

Maintenance of Way and Construction Materials

Purchasing in Standard Packages

Stores Organization, Practices and Records

Identification of Railway Tools, Materials, Etc.

Resolutions

Memorials

Elections

Remarks by Chairman A. C. Mann, vice-president, Illinois Central.

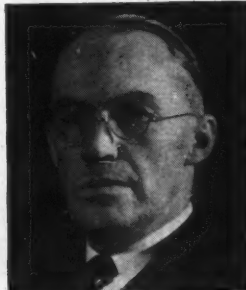
## Convention Speakers



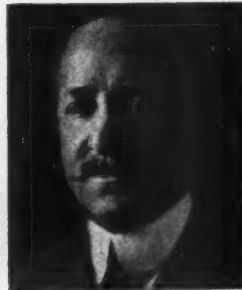
**W. F. Tower**



**H. A. Scandrett**



**C. H. Buford**



**C. E. Smith**



**G. M. Crowson**

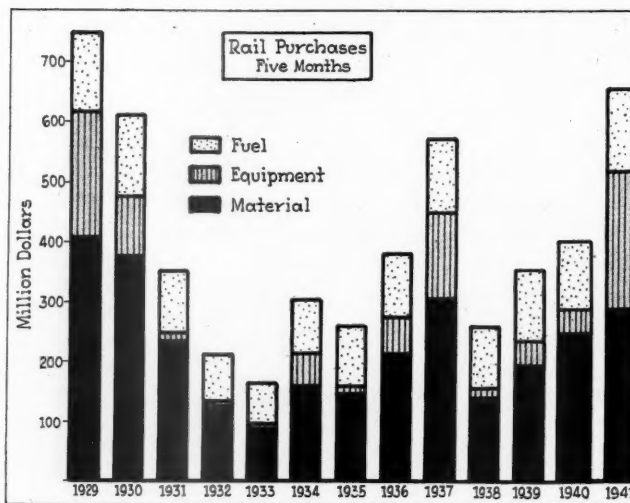
# \$1,338,000,000 of Railway Buying Since Start of Defense Program

Equipment totals break twelve-year record—No hoarding of railway materials

IT was a year ago that this country and the railroads began to prepare for National Defense, and it is also in mid-year that the Supplies Section of the Association of American Railroads holds its annual meetings. This paper has, therefore, reassembled certain of its statistics of railway buying to show values from June 1 of each year as well as for the regular calendar period.

## 640 Million for Manufacturers in Four Months

Substantially complete records of the purchases for the first five months of 1941 and partial information for May indicate that the Class I railroads received approximately \$426,481,000 of materials, supplies and fuel during the first five months of 1941 and, in addition, ordered approximately \$214,198,000 of new locomotives and cars from equipment builders—a total for the first five months of approximately \$640,679,000. About \$509,247,000 of this comprised materials and equipment from manufacturers, while \$131,432,000 went for coal and fuel oil. The figures include freight charges but are exclusive of payments made by the railroads for miscellaneous services, for materials and supplies required under leasing ar-



Purchases of Materials, Equipment and Fuel Made by Railroads During the First Five Months of Each Calendar Year.

## Railway Purchases—Materials and Supplies

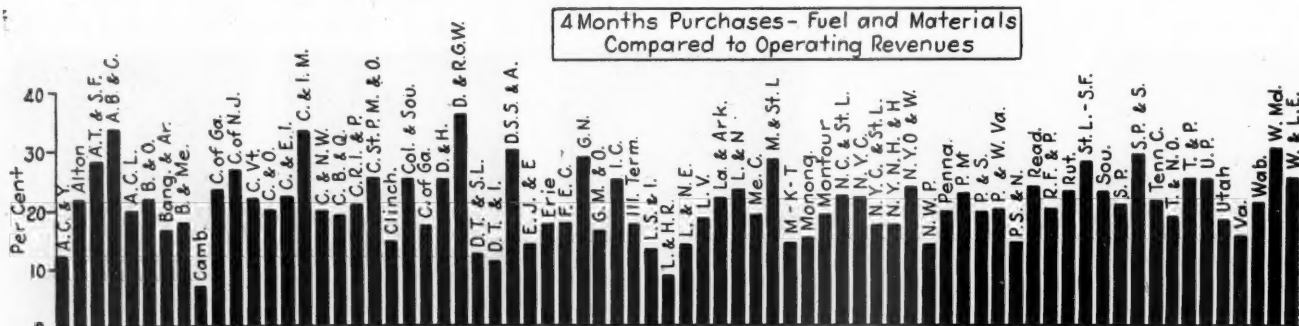
	Fuel (000)	Rail (000)	Cross- ties (000)	Other Material (000)	Total (000)	Total less fuel (000)
1940						
January	\$24,978	\$3,529	\$4,128	\$45,593	\$78,228	\$53,250
February	24,219	4,814	3,928	39,939	72,900	48,681
March	21,880	6,043	4,634	42,655	75,212	53,332
April	21,575	6,470	4,585	39,407	72,037	50,462
May	21,851	5,019	4,789	37,122	68,781	46,930
5 Mos.	114,503	25,875	22,064	204,716	367,158	252,655
1941						
January	26,319	3,131	3,669	45,581	78,700	52,381
February	26,944	4,744	3,701	43,601	78,990	52,046
March	29,815	4,156	4,081	53,685	91,737	61,922
April	18,354	4,226	4,618	55,356	82,554	64,200
May*	30,000	4,500	5,000	55,000	94,500	64,500
5 Mos.	131,432	20,757	21,069	253,223	426,481	295,049

\* Estimated.

rangements, for materials purchased for private car companies and purchases by railroad building contractors.

The materials and supplies, exclusive of equipment, which were received from manufacturers during the first five months of 1941 were greater by approximately \$42,394,000 or 17 per cent than in the first five months of 1940, while the orders (not installations) with equipment builders for locomotives and cars during the period were larger by \$171,565,000, or five times, than the commitments for equipment during the same period of 1940. The commitments made for equipment in the first five months of 1941 were not only the largest for any similar period since 1929, but, dollar for dollar, were almost \$7,000,000 larger than in the first five months of 1929. The consolidated purchases for the first five months of 1941 showed an increase of \$230,888,000, or 56 per cent, over those of the corresponding period of 1940 and exceeded the corresponding purchases of the first five months of 1930 by \$27,792,000.

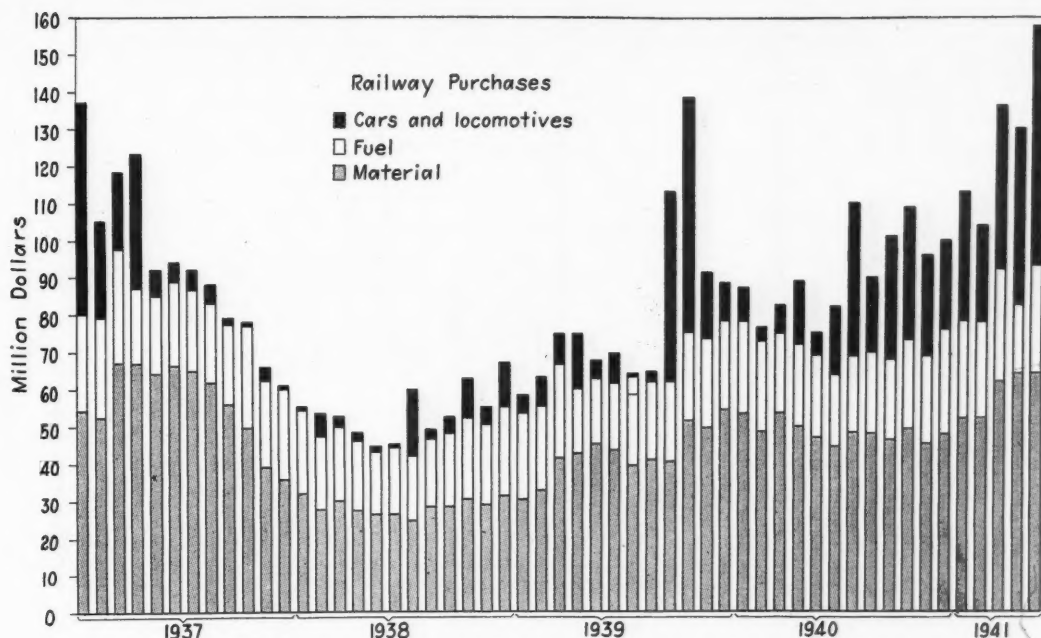
Materials received during the first five months of 1941 included approximately \$20,757,000 of rail, as compared with \$25,875,000 in the first five months of 1940, and



Purchases of Selected Railroads During the First Four Months of 1941, Compared on the Basis of Their Ratio to Operating Revenues



Purchases of Materials, Equipment and Fuel, Month-to-Month Since January, 1937.



approximately \$21,069,000 of cross-ties, as compared with \$22,064,000 in the first five months of 1940, and \$253,223,000 of other materials for roadway and equipment repairs, as compared with approximately \$204,716,000 in the corresponding month of 1940. While less ties and rail were received by the railroads since January than in the corresponding months of 1940, partially because of the increased delay in shipments, the total amount of materials received in the first five months of this year exceeded the total of the corresponding period of 1940 by \$42,394,000 and the value of materials and fuel, exclusive of equipment, received by the railroads in March, amounting to \$91,737,000, was the largest buying in any

as compared with \$190,077,000 in the previous twelve-month period, or a total of \$1,047,381,000 of materials and equipment from manufacturers, as compared with

Railway Purchases—Materials and Equipment—Five Months First Five Months Each Calendar Year

	Materials received from mfrs. (000)	Equipment Ordered from mfrs. (000)	Total from mfrs. (000)	Fuel (000)	Total including fuel (000)
1929 .....	\$406,309	\$207,474	\$613,783	\$146,791	\$760,574
1930 .....	375,089	99,287	474,376	138,511	612,887
1931 .....	231,778	11,136	242,914	107,222	350,136
1932 .....	127,000	1,910	128,910	82,700	211,610
1933 .....	92,132	2,119	94,251	71,425	165,676
1934 .....	167,535	48,616	216,151	88,461	304,612
1935 .....	149,050	7,596	156,646	103,750	260,396
1936 .....	212,460	62,301	274,761	108,592	383,353
1937 .....	304,811	147,024	451,835	123,125	574,960
1938 .....	143,473	12,780	156,253	99,052	255,305
1939 .....	192,772	41,394	234,166	105,559	339,725
1940 .....	252,655	42,633	295,288	114,503	409,791
1941* .....	295,049	214,198	509,247	131,432	640,679

\* Subject to Revision.

Railway Purchases—Materials and Equipment 12 Months—June to June

	Materials received from mfrs. (000)	Equipment ordered from mfrs. (000)	Total from mfrs. (000)	Fuel (000)	Total including fuel (000)
June, 1929 to June, 1930	\$960,575	\$288,934	\$1,249,509	\$328,525	\$1,578,034
June, 1930 to June, 1931	583,912	58,320	642,232	276,988	919,220
June, 1931 to June, 1932	346,873	19,647	366,520	218,827	585,347
June, 1932 to June, 1933	233,232	2,832	236,064	165,725	401,789
June, 1933 to June, 1934	352,249	52,354	404,603	197,940	602,543
June, 1934 to June, 1935	376,527	25,830	402,357	224,777	627,134
June, 1935 to June, 1936	429,239	90,401	519,640	233,561	753,201
June, 1936 to June, 1937	628,193	307,317	935,510	280,997	1,216,507
June, 1937 to June, 1938	515,231	39,073	554,307	258,293	812,600
June, 1938 to June, 1939	392,333	102,620	494,953	246,285	741,238
June, 1939 to June, 1940	572,376	190,077	762,453	266,824	1,029,277
June, 1940 to June, 1941	624,689	422,692	1,047,381	290,606	1,337,987

month since March, 1930, with the exception of March, 1937.

#### June to June

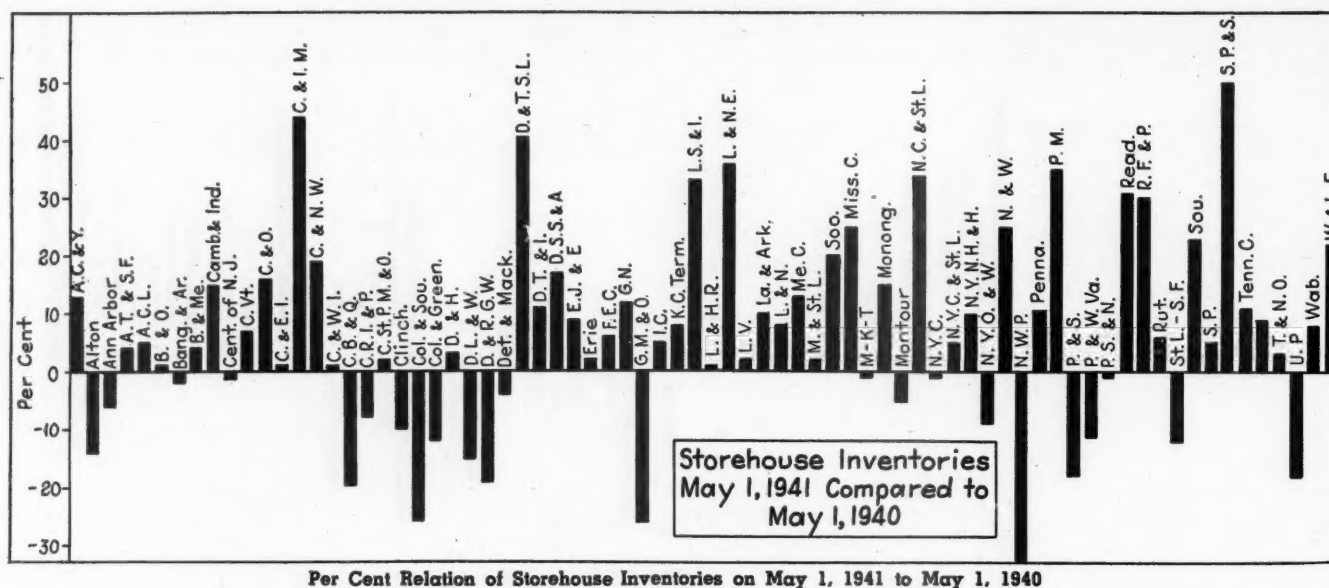
From June 1, 1940, when the President of the United States appointed an advisory commission to the Council of National Defense for the purpose of harnessing industry to a gigantic re-armament program, until June 1 of this year, the railroads received materials and fuel and ordered cars and locomotives totaling \$1,337,987,000, according to best calculations at this time. This total includes \$624,689,000 of materials received from manufacturers, as compared with \$572,376,000 in the previous twelve-month period, and it includes \$422,692,000 of locomotives and cars ordered from equipment builders,

\$762,453,000 of materials and equipment, exclusive of fuel, from manufacturers during the previous twelve-month period. The materials received from manufacturers in the period from June 1, 1940, to June 1, 1941, was \$335,886,000, or 35 per cent, less than the purchases of materials in the period from June 1, 1929, to June 1, 1930, but exceeded by \$40,777,000 the purchases of ma-

Equipment and Rail Orders—First Six Months Each Calendar Year

	Freight Cars	Passenger Cars	Locomotives	Rail Tons
1929 .....	67,161	1,142	594	291,864
1930 .....	33,731	417	289	232,065
1931 .....	7,792	5	126	511,978
1932 .....	429	30	4	173,069
1933 .....	533	4	20	97,954
1934 .....	23,735	332	78	476,377
1935 .....	7,108	59	46	263,756
1936 .....	31,485	180	142	470,485
1937 .....	42,785	454	263	65,017
1938 .....	2,652	117	113	188,252
1939 .....	10,295	142	185	515,808
1940 .....	16,221	63	241	136,192
1941 .....	92,559	442	660	319,753

materials from manufacturers in the twelve-month period from June 1, 1930, to June 1, 1931, while contracts for locomotives and cars ordered from equipment builders in



the period from June 1, 1940, to June 1, 1941, were not only \$232,615,000 larger than the corresponding orders for equipment from manufacturers from June 1, 1939 to June 1, 1940, but totaled larger by \$115,375,000 than the commitments made during the period June 1, 1936 to June 1, 1937, and they were \$133,758,000, or 46 per

in the previous twelve-month period and was 62,365 cars more than were ordered from July 1, 1936, to July 1, 1937, which was the little war boom. The total exceeded the orders from July 1, 1929, to July 1, 1930, by 63,411 cars. Locomotives ordered from July 1, 1940, to July 1, 1941, were 665 more than were ordered from July 1, 1939, to July 1, 1940, included 442 more locomotives than were ordered from July 1, 1936, to July 1, 1937, and 189 more than were ordered from July 1, 1929, to June, 1930.

#### Equipment and Rail Orders—July to July

	Freight Cars	Passenger Cars	Locomotives	Rail Tons
July, 1929 to July, 1930	77,788	1,578	907	1,989,911
July, 1930 to July, 1931	20,421	255	277	1,129,227
July, 1931 to July, 1932	3,517	36	54	339,675
July, 1932 to July, 1933	2,072	13	28	142,803
July, 1933 to July, 1934	24,887	334	100	710,739
July, 1934 to July, 1935	7,984	115	151	312,262
July, 1935 to July, 1936	43,076	212	183	706,677
July, 1936 to July, 1937	78,844	581	654	1,001,447
July, 1937 to July, 1938	12,603	466	218	388,335
July, 1938 to July, 1939	24,182	294	300	696,981
July, 1939 to July, 1940	62,050	246	431	950,231
July, 1940 to July, 1941	141,209	665	1,096	1,056,795

#### Inventories Up

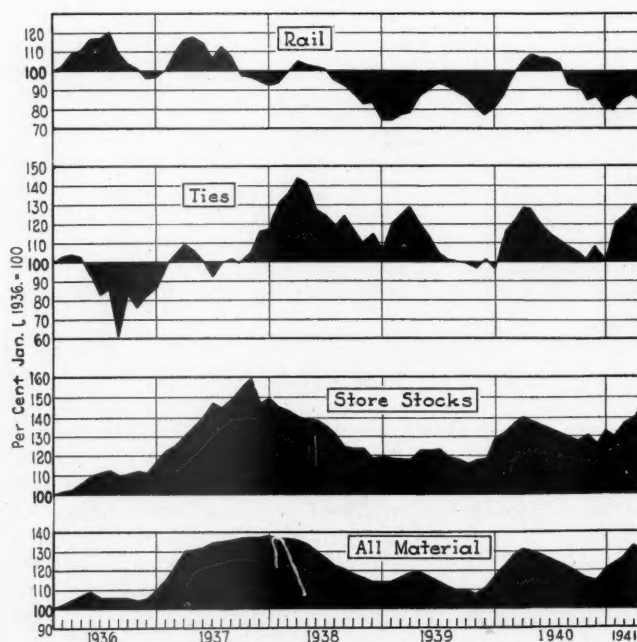
Materials in the hands of the railroads on May 1, the latest date for which detailed figures are available, totaled approximately \$369,693,000, consisting of \$23,143,000 of fuel, \$25,134,000 of new and second-hand rail stock, \$59,348,000 of crossties and \$246,925,000 of storehouse stock, including repair parts for cars and locomotives

cent, larger than the purchases of equipment from June 1, 1929 to June 1, 1930. Total purchases of materials, fuel and equipment from June 1, 1940 to June 1, 1941 were \$596,749,000 larger than from June 1, 1938 to June 1, 1939, and were only less by \$240,047,000, or 15 per cent, than the total buying of the railroads from June 1, 1929 to June 1, 1930, and, of course, railway buying for the National Defense Program is still continuing to expand.

#### 141,209 Freight Cars

During the first 26 weeks of 1941, the railroads are known to have ordered 92,559 freight cars from equipment builders and railroad shops, 442 passenger train cars, 660 locomotives and 319,752 tons of rail. This compares with 16,221 freight cars, 63 passenger cars, 241 locomotives, and 136,192 tons of rail during the first six months of 1940, and with 67,161 freight cars, 1,142 passenger cars, 594 locomotives and 291,864 tons of rail in the first six months of 1929.

From July 1, 1940, to July 1, 1941, however, 141,209 freight cars, 665 passenger cars, 1,096 locomotives and 1,056,795 tons of rail were ordered in this country. The number of freight cars ordered during the first year of the National Defense Program was 79,159 greater than



Month-to-Month Changes in Class I Railway Inventories.  
Jan. 1 1936 equals 100

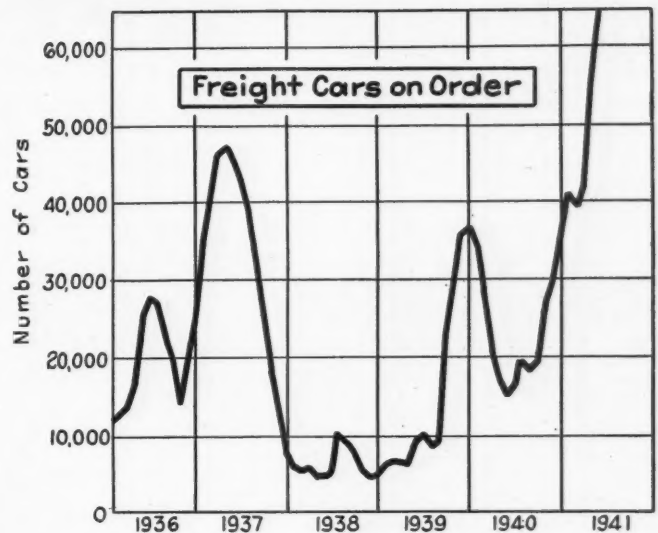
and materials for building freight cars in railroad shops. The fuel stock on May 1 was \$7,841,000 less than on April 1—the result of the nation-wide coal strike during the month of April. Rail stocks were approximately \$851,000 less than on January 1, and \$10,692,000 less than on May 1, 1940. Crossties stocks on May 1 were lower than on April 1 by approximately \$6,008,000 and were fractionally less than on May 1, 1940, while stores stocks on May 1 showed an increase of approximately \$23,252,000 over the corresponding inventories on January 1 of this year, were approximately \$12,059,000 larger than on May 1, 1940, were 46 per cent larger than

#### Materials in Stock—Class I Railroads

1940	Fuel (000)	Rail New and S. H. (000)	Cross- ties (000)	Stores Stock (000)	Scrap (000)	Total (000)
Jan. 1.....	\$21,778	\$25,552	\$51,359	\$216,996	\$11,551	\$327,236
Feb. 1.....	22,454	28,213	58,187	222,127	11,862	342,843
Mar. 1.....	23,190	31,546	60,615	230,045	11,576	356,972
Apr. 1.....	21,016	34,388	64,466	234,899	11,509	366,278
May 1.....	21,343	35,826	63,945	234,866	11,551	367,531
June 1.....	22,419	34,818	60,070	231,308	11,275	359,890
July 1.....	22,310	35,138	57,452	225,066	11,371	351,337
Aug. 1.....	24,065	34,134	55,988	222,001	11,326	347,514
Sept. 1.....	25,513	31,927	54,531	217,948	11,041	340,960
Oct. 1.....	25,442	30,055	53,517	216,201	10,848	336,063
Nov. 1.....	22,272	27,457	50,374	221,444	9,711	331,258
Dec. 1.....	24,414	27,674	54,464	213,555	9,602	329,709
1941						
Jan. 1.....	24,002	25,985	50,967	223,673	9,818	334,445
Feb. 1.....	25,294	26,557	61,513	218,599	11,153	343,116
Mar. 1.....	27,105	28,217	62,455	228,012	10,859	356,648
Apr. 1.....	30,984	28,573	65,356	235,404	11,102	371,419
May 1*.....	23,143	25,134	59,348	246,925	15,143	369,693

\* Subject to revision.

the aggregate inventories of storehouse stock in the hands of railroads on January 1, 1936, and were the largest inventories in any month since January 1, 1938. The increase in storehouse inventories is not considered large, however, in view of the greatly increased demand for materials by the railroads and the correspondingly greater rate at which the stock is turned over, it being



Month to Month Trend of Freight Cars on Order. Unfilled Orders on June 1, 1941, were the largest since 1924

well understood that railroad operations as well as the work of building railway equipment in commercial plants has been arbitrarily slowed up by delays in receiving iron and steel from suppliers.

#### Leading Railroads

Purchases of material and fuel made by individual railroads during the first four months of 1941 showed increases over the corresponding purchases during the first four months of 1940, totaling 12 per cent on the Atchison, Topeka & Santa Fe; 13 per cent on the Baltimore & Ohio; 24 per cent on the Denver & Rio Grande

#### 4 Months' Purchases—Material and Fuel (Exclusive of New Equipment)

Road	1940 4 Mos.	1941 4 Mos.	Increase	Per Cent In- crease	Per Cent of Op. Rev.	Road	1940 4 Mos.	1941 4 Mos.	Increase	Per Cent In- crease	Per Cent of Op. Rev.
A. C. & Y.....	\$160,210	\$117,338	—\$42,872	—27	12.2	L. S. & Ishpeming....	79,144	81,024	1,880	2	12.9
Alton.....	1,446,692	1,301,922	—144,770	—10	21.8	Lehigh & Hud. Riv. ...	94,199	117,869	23,670	25	18.3
Alton & Sou. ....	134,093	117,099	—16,994	—13	...	L. & N. E. ....	181,577	185,789	4,212	2	13.6
Ann Arbor.....	396,547	356,198	—40,349	—10	24.7	Lehigh Valley.....	3,052,827	3,099,080	46,253	2	18.5
A. T. & S. F. ....	14,989,768	16,790,034	1,800,266	12	28.1	La. & Ark. ....	342,924	679,569	336,645	98	21.3
A. B. & C. ....	279,252	337,051	57,799	21	23.9	L. & N. ....	8,248,475	8,182,961	—65,514	—1	23.1
A. C. L. ....	5,135,667	4,695,021	—440,646	—9	19.7	Me. C. ....	1,004,563	916,065	—88,498	—9	18.8
B. & O. ....	12,413,288	13,986,144	1,572,856	13	21.4	Minn. & St. L. ....	812,013	855,912	43,899	5	27.9
Bang. & Aroo. ....	397,178	389,810	—7,368	—2	16.3	M-K-T.....	1,166,541	1,346,734	180,193	15	13.7
Belt Ry. of Chi. ....	332,015	393,218	61,203	18	...	Monong. ....	199,314	208,656	9,342	5	14.8
B. & Me. ....	2,832,840	3,068,556	235,716	8	17.3	Montour.....	98,355	102,400	4,045	4	19.3
Burl.-R. I. ....	12,470	27,770	15,309	123	7.7	N. C. & St. L. ....	1,288,147	1,305,748	17,601	1	21.6
Cam. & Ind. ....	42,272	75,544	33,272	79	6.6	Nev. Nor. ....	77,427	115,818	38,391	48	52.8
Cent. of Ga. ....	1,252,618	1,536,994	284,376	23	23.0	N. Y. C. ....	27,738,031	31,150,789	3,412,758	12	21.9
Cent. of N. J. ....	2,946,501	3,302,180	355,679	12	25.9	N. Y. C. & St. L. ....	3,289,077	3,045,058	—244,019	—7	17.1
Cent. of Vt. ....	512,439	508,515	—3,924	—1	21.6	N. Y. N. H. & H. ....	4,940,014	5,512,040	572,026	12	16.7
Char. & W. Caro. ....	359,272	338,579	—20,693	—6	31.9	N. Y. O. & W. ....	330,084	411,029	80,945	25	23.3
C. & O. ....	7,871,312	7,673,524	—197,788	—3	19.9	N. W. Pacific.....	125,472	125,575	103	0	13.1
C. & E. I. ....	1,313,922	1,290,306	—23,616	—2	22.0	Penna. and L. I. ....	26,123,992	34,513,133	8,389,141	32	19.1
C. & I. M. ....	429,019	469,731	40,712	9	33.0	Pa.-Reading S. S. ....	287,604	391,693	104,089	36	22.6
C. & N. W. ....	5,950,902	6,068,441	117,539	2	19.8	Pere Marquette.....	2,690,401	2,749,922	59,521	2	22.2
C. & W. I. ....	309,856	267,600	—42,256	—14	...	Pitts. & Shaw. ....	71,483	53,703	—17,780	—25	19.8
C. B. & Q. ....	6,380,680	6,262,072	—118,608	—2	18.8	Pitts. & W. Va. ....	307,223	313,765	6,542	2	19.9
C. R. I. & P. ....	6,294,926	5,915,764	—379,162	—6	20.8	Pitts. Shaw. & Nor. ....	49,239	61,346	12,107	25	14.2
C. St. P. M. & O. ....	1,460,238	1,440,128	—20,110	—1	25.4	Reading.....	3,827,408	5,634,908	1,807,500	47	23.6
Clinch.....	487,540	495,861	8,321	2	14.4	R. F. & P. ....	870,578	912,456	41,878	5	20.0
Colo. & Sou. ....	556,981	594,992	38,011	7	25.3	Rutland.....	260,502	262,347	1,845	1	23.0
C. & G. ....	75,530	68,755	—6,775	—9	16.8	St. L.-S. F. ....	3,448,955	4,983,734	1,534,779	45	27.8
D. & H. ....	2,375,998	2,335,755	—40,243	—2	24.4	S. A. L. ....	3,980,280	5,645,687	1,665,407	42	26.7
D. & R. G. W. ....	2,411,918	2,999,412	587,494	24	36.7	Sou. ....	9,150,179	12,402,844	3,252,665	36	12.8
Det. & Mack. ....	47,839	60,497	12,658	26	30.3	Sou. Pac. ....	12,038,241	13,366,436	1,328,195	11	20.8
D. & T. S. L. ....	122,096	182,479	60,383	49	12.1	S. P. & S. ....	563,822	1,018,236	454,414	81	29.8
D. T. & I. ....	457,320	346,930	—110,390	—24	10.9	Tenn. C. ....	190,971	192,575	1,604	1	21.0
D. S. & A. ....	140,869	251,448	110,579	78	30.2	Terminal of St. Louis.	657,604	699,611	42,007	6	...
E. J. & E. ....	822,432	1,193,427	370,995	45	13.1	T. & N. O. ....	3,050,729	3,155,221	104,492	3	18.2
Erie.....	5,183,077	5,519,635	336,558	6	17.5	T. & P. ....	2,415,108	2,367,337	—47,771	—2	24.5
F. E. C. ....	883,025	929,539	46,514	5	17.4	U. P. ....	13,168,895	14,283,155	1,114,260	8	24.4
Ft. W. & D. C. ....	513,666	438,642	—75,024	—15	24.5	Utah.....	52,214	44,361	—7,853	—15	17.1
Gr. Nor. ....	5,906,788	7,997,206	2,090,418	35	28.5	Va. ....	2,040,740	1,199,123	—841,617	—41	15.4
G. M. & O. ....	1,349,772	1,176,308	—173,464	—13	16.3	Wabash.....	3,920,705	3,652,165	—268,540	—7	20.7
I. C. ....	9,695,415	10,217,027	521,612	5	24.0	West. Md. ....	1,283,337	2,046,109	762,772	59	30.2
Ill. Term. ....	320,934	351,437	30,503	9	17.2	W. & L. E. ....	984,074	1,453,153	469,079	48	24.6
K. C. Term. ....	339,234	301,852	—37,382	—11	...	W. F. & Sou. ....	19,197	17,896	—1,301	—7	...



Western; 45 per cent on the Elgin, Joliet & Eastern; 6 per cent on the Erie; 25 per cent on the Lehigh & Hudson River; 98 per cent on the Louisiana & Arkansas; 15 per cent on the Missouri-Kansas-Texas; 32 per

cent on the Pennsylvania; 47 per cent on the Reading; 45 per cent on the St. Louis-San Francisco; 36 per cent on the Southern; 59 per cent on the Western Maryland and 48 per cent on the Wheeling & Lake Erie.

#### Materials on Hand—Exclusive of Fuel, Rail and Ties

Road	May 1, 1940	May 1, 1941	Increase	Per Cent Increase	Dollars Per Mile
A. C. & Y. ....	\$81,984	\$92,648	\$10,664	13	\$541
Alton .....	595,846	521,243	-74,603	-13	543
Alton & Sou. ....	73,009	63,593	-9,414	-13	757
Ann Arbor .....	190,041	177,871	-12,170	-6	605
A. T. & S. F. ....	10,881,285	11,323,389	442,104	4	843
A. C. L. ....	2,332,350	2,451,244	118,894	5	481
B. & O. ....	7,965,840	8,037,322	71,482	1	1,255
Bang. & Aroo. ....	697,170	683,619	-13,551	-2	1,134
Belt Ry. of Chi. ....	239,401	228,426	-10,975	-5	497
Bos. & Me. ....	2,157,935	2,241,019	83,084	4	1,176
Burl. R. I. ....	36,100	30,129	-5,971	-17	118
Cam. & Ind. ....	37,037	42,755	5,718	15	1,156
Cent. of Ga. ....	647,419	815,366	167,947	26	438
Cent. of N. J. ....	1,388,251	1,374,322	-13,929	-1	1,932
Cent. Vt. ....	331,901	357,725	25,824	8	848
Chr. & W. Caro. ....	249,294	226,603	-22,691	-9	661
C. & O. ....	5,632,736*	6,615,236*	982,500	17	2,122
C. & E. I. ....	657,325	666,037	8,712	1	720
C. & I. M. ....	291,145	418,454	127,309	44	3,195
C. & N. W. ....	4,822,034	5,736,210	914,176	19	690
C. & W. I. ....	247,492	246,344	-1,148	-1	1,374
C. B. & O. ....	4,662,444	3,736,558	-925,886	-20	417
C. R. I. & P. ....	5,496,893	5,058,320	-438,573	-8	635
C. St. P. M. & O. ....	723,896	737,694	13,798	2	453
Clinch. ....	344,410	310,769	-33,641	-10	1,009
Colo. & Sou. ....	285,250	210,476	-74,774	-26	268
C. & G. ....	117,824	103,181	-14,643	-12	614
D. & H. ....	1,645,573	1,696,541	50,968	3	2,001
D. L. & W. ....	1,269,981	1,458,350	188,369	15	1,465
D. & R. G. W. ....	2,232,124	2,665,296	433,172	19	1,046
Det. & Mack. ....	136,304	130,438	-5,866	-4	539
D. & T. S. L. ....	83,698	118,248	34,550	41	2,364
D. T. & I. ....	377,723	417,953	40,230	11	886
D. S. S. & A. ....	152,794	179,374	26,580	17	326
E. J. & E. ....	838,714	915,047	76,333	9	2,346
Erie. ....	2,353,017	2,391,238	38,221	2	1,057
F. E. C. ....	1,204,344	1,281,518	77,174	7	1,871
Ft. W. & D. C. ....	393,762	371,155	-22,607	-6	462
Gr. Nor. ....	5,964,351	6,699,716	735,365	12	831
G. M. & O. ....	1,408,615	1,037,362	-371,253	-26	526
I. C. ....	5,338,120	5,579,268	241,148	5	852
Ill. Term. ....	301,441†	319,380	17,939	6	670
K. C. Term. ....	146,149	157,139	10,990	8	924
L. S. & Ishpeming. ....	176,668	235,391	58,723	33	1,509
L. & H. R. ....	58,059	58,483	424	1	609
L. & N. E. ....	212,883	288,695	75,812	36	1,519
Lehigh Valley ....	1,793,884	1,826,124	32,240	2	1,439
La. & Ark. ....	505,051	557,840	52,789	10	633
L. & N. ....	6,066,369	6,549,997	483,628	8	1,346
Me. Cent. ....	855,954	744,675	-111,279	-13	751
M. & St. L. ....	568,172	580,454	12,282	2	412
Soo. ....	1,314,339†	1,581,650†	267,311	20	371
Missi. Cent. ....	41,609	51,809	10,200	25	328
M-K-T. ....	1,458,769	1,456,193	-2,576	-1	442
Mononga. ....	196,888	226,856	29,968	15	1,319
Montour ....	154,938	147,818	-7,120	-5	2,898
N. C. & St. L. ....	1,084,234	1,453,783	369,549	34	1,309
Nev. Nor. ....	67,266	82,662	15,396	23	501
N. Y. C. ....	25,394,628	25,241,248	-153,380	-1	2,258
N. Y. C. & St. L. ....	2,349,358*	2,470,972*	121,614	5	1,450
N. Y. N. H. & H. ....	3,779,487	4,157,905	378,418	10	2,221
N. Y. O. & W. ....	368,060	335,651	-32,409	-9	583
Norf. & Wes. ....	6,301,274	7,873,859	1,572,585	25	3,593
N. W. Pac. ....	82,794	55,269	-27,525	-33	157
Pa. and L. I. ....	31,460,730†	35,017,774	3,557,044	11	3,296
Pa.-Read. S. S. ....	139,375‡	182,597	43,222	31	444
Pere Marquette ....	2,467,259*	3,334,554*	867,295	35	1,587
Pitts. & Shaw. ....	78,658	64,139	-14,519	-18	654
Pitts. & West Va. ....	266,905	236,354	-30,551	-11	1,738
Pitts. Shaw. & Nor. ....	56,635	56,076	-559	-1	295
Reading ....	3,316,484	4,354,032	1,037,548	31	3,026
R. F. & P. ....	822,086	1,068,546	246,460	30	906
Rutland ....	194,567	207,181	12,614	6	509
St. L.-S. F. ....	3,356,930	2,939,212	-417,718	-12	596
S. A. L. ....	3,279,602	4,376,274	1,096,672	33	1,015
Sou. ....	5,221,968	6,399,569	1,177,601	23	818
Sou. Pac. ....	6,662,652	7,025,305	362,653	5	817
Sing. & Garf. ....	29,722	32,598	2,876	10	435
S. P. & S. ....	504,497	1,002,949	498,452	99	1,058
Tenn. Cent. ....	190,608	212,487	21,879	11	743
Term. of St. L. ....	288,491	315,554	27,063	9	682
T. & N. O. ....	2,261,751	2,337,029	75,278	3	529
T. & P. ....	2,836,181	2,836,472	291	0	1,503
U. P. ....	19,398,471	15,930,691	-3,467,780	-18	1,610
Utah ....	170,769	184,895	14,126	8	1,666
Va. ....	2,036,768	2,055,638	18,870	1	3,149
Wabash ....	1,894,357	2,049,900	155,543	8	851
Wes. Md. ....	1,108,593	1,097,494	-11,099	-1	1,277
W. & L. E. ....	884,517	1,079,475	194,958	22	2,128
W. F. & S. ....	20,611	20,174	-437	-2	99

\* All Materials.

† April 1.

‡ Jan. 1, 1941.

## Floodlights on Long Cross Arms

THE very common difficulty of having no place to put the supporting structure where yard floodlights are needed has been effectively overcome in an installation made by the Chicago, Rock Island & Pacific in St. Louis. The area lighted is a produce yard and light is required chiefly on the team tracks and on the sides of the cars. If the floodlights were arranged in the usual manner the poles would be in the center of the team tracks.

To solve the problem, it was decided to mount the floodlights on 75-ft. poles and fabricate mast arms to permit mounting the floodlight over each driveway. This necessitated making the mast arms 40 ft. from tip to tip, or 20 ft. each side of the pole. The difficulty of cleaning and relamping the lighting fixtures at the ends of these long arms was eliminated by using Thompson Electric floodlight-type disconnect hangers, which permit the lights to be lowered to the ground and returned to their original position after having been lowered. When a



Night View of the Installation Showing the Uniform Distribution of Light in the Yard

lamp is lowered a guide loop causes it to slide down the fall chain and thus prevents its swinging in the wind.

The team track yard comprises seven tracks, the longest being 650 ft. There are two lighting units on the ends of each mast arm. The lights nearest the pole are Pyle-National, 500-watt units and are adjusted and focused to illuminate the area near the poles. The lights at the ends of the mast arms are Pyle-National long-throw, 1,000-watt units and are adjusted and focused to illuminate the area of the yard beyond that which is lighted by the 500-watt units.

The installation was designed and installed under the direction of A. E. Ganzert, electrical engineer, Chicago, Rock Island & Pacific.

# Priorities To Date

Railway supply forces cheered by government's stand on freight cars in face of growing shortages of materials

**A**S THE United States tackles the national defense program in earnest, the priorities which the government is injecting into business to assure the speedy production of war materials becomes progressively more interesting to the railroads and their supply departments. Priorities were an obscure subject only a few weeks ago. The characteristic answer given to the question "Is national defense interrupting railway supply?" was "Not yet." Some railroads had previously covered their requirements for a year. Others were avoiding trouble by timing orders with deliveries, extending due dates to 60 days and 90 days and longer as each class of material required. Manufacturers were still drawing on original sources of raw material and were not forgetting their regular customers and in many parts of the country dealers of railway supplies were left to do their own worrying about filling railway orders on time.

## Freight Cars Preferred

But the interest in priorities intensified as the railroads began to feel the pinch of the defense program. On June 9, following shut downs at several freight car plants which could not get materials, the OPACS (Office of Price Administration and Civilian Supply) declared the existence of a critical shortage in freight cars and ordered that all deliveries of equipment and materials necessary for their construction and repair should be given preference over materials and equipment going into any other civilian uses not already controlled by government contracts. OPACS (successor to the price stabilization and consumer divisions of the advisory commission to the council of national defense) had repeatedly cracked down on prices but only once before had it undertaken to allocate materials for civilian use.

This action by OPACS was followed on June 18 by orders of OPM's Division of Priorities (umpire of the allocation of materials for military purposes), creating

a general priority available to 66 railroads and other car builders granting an A-3 rating to deliveries of all materials for the construction and repair of freight cars with respect to any materials included in the priority critical list of the army and navy munitions board. The same rating was extended to cutting and other perishable tools and equipment regardless of whether the items were listed in the priority critical list, except that priorities on machine tools and similar machinery could be obtained only by special application. Companies in whose favor the priorities were granted are subject to book-keeping regulations and sworn agreements to seek and utilize substitute materials, but the priority extends to sub-contractors, is good until November 15, and gives the material for freight cars preference over many army and navy requirements.

Meanwhile, the railroads took steps to improve their handling of priority problems. The office of secretary of the Purchases and Stores Division, A. A. R., was moved from New York to Washington and W. A. Summerhays, Manager Forest Products Bureau, Illinois Central, and a past president of the railway storekeepers association (predecessor to the Purchases and Stores Division, A. A. R.), has been installed in the OPM as a liaison between OPM and the A. A. R.

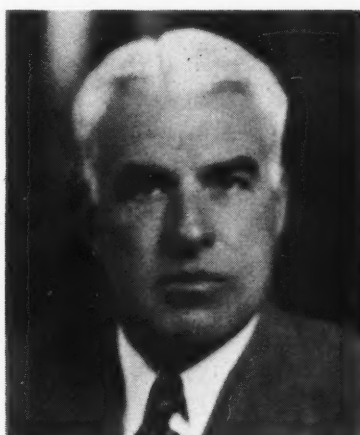
## A Mandate for Rails

The relief among the railroads over the action taken by the government on materials for freight cars was pronounced, as it became increasingly evident that the railroads and industry had become involved in a gigantic and constantly expanding program of re-armament which is not only requiring more materials than was anticipated but also more materials than are temporarily available and which are compelling roads to depend more and more on defense agencies for protection against any breakdowns in railway service. The position is widely taken that this action by the government has not only relieved,

## Key Men in Railroad Priorities



Ralph Budd  
Transportation



E. R. Stettinius, Jr.  
Priorities



Leon Henderson  
Civilian Supply



temporarily at least, a bad freight car situation but, more positively, has established the importance of the railroads in national defense.

### A New "26" Game

Since the inauguration of the national defense program on May 28, 1940, the priority division of the Office of Production Management has imposed some broad form of priority control over 26 different materials and classes of material, most of which include materials required indirectly or directly by railroads. A large number of other products are under priority control in the sense that they appear on the priority critical list. This is a list of items, now over 300, which are needed by the army and navy and other military services. The most far reaching method which has been used in cases where shortages of materials for defense work become serious is the industry-wide mandatory priority control. This control, which usually involves the allocation of available supplies so that defense needs come first, already extends to aluminum, magnesium, nickel, nickel-steel, ferro-tungsten, machine tools, synthetic rubbers, copper, cork, borax and zinc. Machine tools were subjected to control as long ago as January 31, when the shortage of machinery threatened to retard the production of armaments and machine tool builders were requested to deliver tools only to defense contractors.

### Nickel Rationed

Under the terms of a new order that was issued on May 15, the priorities division is now making month to month allocations of all of the available nickel supplies for defense purposes. All defense orders for this material will take the army and navy preference rating of A-10 unless better ratings are assigned. Complete control of this material was taken as a result of estimates indicating that the over-all shortage of nickel for both military and civilian uses in this country would probably exceed 45,000,000 lb. in 1941. Copper was added to the list of metals subject to mandatory control on May 31, following estimates that the over-all shortages for civilian and military needs might reach 470,000 tons, or 940,000,000 lb., by the end of the year. Partial control has also been imposed on zinc supplies, each producer of zinc now being required to set aside 20 per cent of his monthly production for the priorities division to distribute to meet urgent defense needs.

### Rules Against Hoarding

On May 1 the priority division also imposed a special form of inventory control on 16 metals and classes of metal, to prevent speculation and hoarding. This control extends to antimony, cadmium, cobalt, copper, ferrous alloys, lead, manganese, mercury, molybdenum, nonferrous alloys, tin, vanadium and iron and steel products, including rolled and drawn steel, forgings, castings, and pig iron. The orders affecting these materials explain that the available supply is being diminished at a rate in excess of that necessary for production as a result of over-buying for unnecessary inventory and increased manufacturing for unnecessary stocks and that the future requirements, direct and indirect, to fill army and navy contracts and for other national defense purposes and for civilian purposes is likely to exceed the supply obtainable at the present time. In consequence of this, the priorities division ordered that no supplier may make any delivery which the supplier knows or has reason to believe will increase the customer's inventory in excess

of the quantity necessary to the customer's usual methods of operation. In addition, customers of such material are required to file sworn statements as outlined in forms furnished by the priorities division.

### Steel Regulated

On May 29, when it appeared that the over-all demand for steel is greater than the apparent capacity to make prompt delivery of certain types of steel and steel products, this material was also subjected to a general preference delivery order designed to give defense needs and essential civilian needs first call on deliveries. Under the terms of this order, any user who has been unable to obtain satisfactory placing or delivery of orders for steel can make a sworn statement of his difficulty to the priorities division which will then require the producer to submit a sworn statement within five days explaining the causes for deferring delivery or rejecting orders. The priorities division will then take such action as the circumstances, reserving the right to call on the producer for records, documents, and any other data desired in the investigation.

### Critical Items

Materials more or less important to railways which are included in the priorities critical list of the army and navy, and therefore subject at all times to priority ratings in favor of defense needs, are as follows:

Aluminum and alloys	Cutters, wire
Ammonia, Anhydrous	Dies, forging
Antimony	Diesel engines
Auger, earth	Extinguishers, fire
Barges	Ferrous alloy
Batteries	Flash lights
Bearings, roller and ball	Floodlighting equipment
Blankets, wool, blue denim	Forgings, brass, aluminum
Boilers, power plant; heating	Iron and steel products, including
Booms	rolled, drawn, forgings, castings,
Borax	and pig iron including alloy steels
Boric Acid	Lead
Brass, pig and fabricated	Locomotives, diesel, gasoline, electric
Bronze, pig or fabricated	Molybdenum
Battery chargers portable	Monel metal
Bull-dozers, tractor powered	Nickel, steel
Cable, electric and telephone	Nickel
Compressors	Non-ferrous alloys
Control equipment for electric motors	Oakum
Copper	Steel, semi-finished, finished and fab-
Cordage and twine	ricated, including alloys
Cork	Telephones
Cotton, canvas duck, webbing	Telegraph sets
Cranes	Transformers
Cylinders for chemical and compressed gas	Vanadium and vanadium alloys
	Zinc

### 5-Billion Spent—35-Billion to Go

The rapidity and intensity with which federal controls over production of materials are being applied and the difficulties resulting to civilian operations are indicated by the expenditures for defense purposes. The total armament program up to mid-May called for expenditures of approximately \$40,000,000,000 almost all of which is to be spent in 1941 and 1942, and additional appropriations have been made since that time. The appropriations and contract authorizations for this country's program total \$37,300,000,000 while British orders total \$3,700,000,000. The 37.3 billion dollars to be spent by the United States include 16.5 billion dollars for airplanes and accessories, 7.2 billions for guns, powder and other ordnance, 8.8 billions for ships, 3.8 billions for new industrial facilities, 3.3 billions for military posts, fortifications and defense housing, 1.8 billions for other army and navy equipment, 5.9 billions for miscellaneous expenditures for army pay, food, reserve materials, etc. Of the total appropriations, 13.1 billion dollars are for the army, 13.1 billions for the navy and 7 billions for the lease-lend activity, while other United States defense



agencies will receive 2.3 billions and government lending agencies established in connection with the national defense program will distribute 1.8 billions. Contracts awarded up to May 1 amounted to 15.2 billions, consisting of 13.6 billions for the army and navy and 1.6 billions for other defense agencies, not counting the 3.7 billions of British orders. That only a beginning has been made in this program, moreover, is indicated by the fact that the cash payments for national defense to date have amounted to only 5.1 billion dollars, which is less than one-seventh of the authorizations up to May 17. Cash payments to May 1 included \$621,000,000 for ships, \$605,000,000 for aircraft, \$501,000,000 for ordnance, \$1,104,000,000 for stations, fortifications, etc., \$305,000,000 for industrial facilities, \$1,100,000 for other materials, equipment and construction, and \$865,000,000 in payrolls. None of these cash payments or appropriations and authorizations for national defense include expenditures which have been made or will be made by the railroads to provide material or equipment for their part in the defense program.

### Organization for Priority

The nature and extent of the priorities division's interest in and authority over railway materials is not only a natural outgrowth of its increasing supervision over defense materials but is provided for in executive orders. The defense organization originally consisted of a council of national defense composed of the secretaries of War, Navy, Interior, Agriculture, Commerce and Labor and an advisory commission to the council of national defense consisting of W. S. Knudsen, E. R. Stettinius, Jr., Sidney Hillman, Leon Henderson, Harriet Elliott, Chester Davis and Ralph Budd. On January 27, following the passage of the selective service act affecting military training, the President enlarged the administrative structure of the defense efforts by creating the office of production management and providing for the co-ordination of the activities of the national defense advisory commission, the OPM and other defense agencies through OEM (office for emergency management). The job of OPM was to facilitate and execute all measures required to accelerate and regulate the production and supply of material, facilities and services for national defense and consisted of three divisions, a production division in charge of John B. Biggers, a division of purchases in charge of Donald M. Nelson, and a division of priorities in charge of Edward R. Stettinius, Jr., operating under the general direction of Wm. S. Knudsen. A division of labor was subsequently ordered. As outlined in regulations issued March 7, 1941, the division of priorities was authorized, among other things, to furnish preference rating to all contracts and sub-contracts and materials directly or indirectly necessary to the defense program, to issue priority certificates to contractors, sub-contractors and others supplying materials directly or indirectly necessary to defense and to establish preferences with reference to indirect defense materials and domestic and foreign materials as this co-operation becomes necessary in the interest of defense.

### OPACS Interested

OPACS was created on April 11, 1941, by combining the functions of the price stabilization and consumer divisions originally in the advisory commission to the council of national defense and is directed by Leon Henderson. This division, while not directly concerned with the production of military materials, is authorized under the executive orders to stimulate the necessary supply of

materials and commodities required for civilian use in such manner as not to conflict with the requirements of the war, navy and other departments of the government, and, after the satisfaction of military defense needs, to provide for the equitable distribution of residual supplies of materials and commodities among competing civilian demands. This division is also authorized to inform the office of production management of the amount, character and relative importance of materials and commodities needed for civilian use and to advise and consult with OPM with reference to the effect of its activities on the supply of material available for civilian use. The priority division of OPM thus has a direct interest in railway materials if they are necessary to national defense while OPACS can interest itself in railway supplies not only through its supervision of civilian needs but when it appears that military requirements are unnecessarily interfering with the production and distribution of materials for civilian use.

### Various Priority Methods

The priorities division does not use any single rigid method of administration, claiming to operate on the theory that the most important thing is to make sure that defense needs are filled and that it is more important to fit the treatment to the problem than to try to fit the problem into a rigid preconceived treatment. Methods and even organization for priorities are constantly in a state of flux. In general, however, three broad steps are taken by the priorities division to give priority aid. These are individual preference rating certificates issued to manufacturers for specific orders to meet specific problems, blanket ratings of a limited type designed to help certain companies or projects to obtain needed materials quickly and industry-wide priority control, usually involving the allocation of available supplies. The system is arranged so that military officers can give priority to any material enumerated in their priority critical lists by applying preference ratings which are prescribed in the so-called priorities directive, which is a manual indicating the order of importance of the various materials and projects.

In all instances, however, materials for railroad use, not being strictly military or purchased by military forces, may receive priority only by application to the priorities division and these applications must be made by the railroads rather than by the suppliers. Where orders for specific materials are involved, the application is usually for an individual preference rating certificate, and, even if orders for identical materials are placed with several suppliers, an application must usually be filed for each supplier, and the priority does not extend beyond one transaction. Each application is made on a form prescribed by and obtainable from the priorities division, describing the materials and supplies, identifying the supplier and explaining the reason for the priority and four copies must be furnished to the priorities division. The application must also be accompanied by a statement of the supplier and this must also be submitted to the priorities division in quadruplicate. When approved, the priorities division issues a preference rating certificate to the supplier which may then be extended by the supplier to other concerns from which the materials necessary to fill orders are obtained.

Blanket ratings are permitted where one company is continuously engaged in defense work or where the completeness of some project is considered essential to the defense program, as in the case of freight cars, and if it becomes impractical for the user of the materials to

(Continued on page 23)



Left to Right: Messrs. Bunnell, Seay, Carmichael, Leslie, Ford

## Accountants in Spirited Session

Pendency of C. G. W. decision added zest to meeting  
summarizing year of unusual progress

**T**HE Accounting Division of the A. A. R. held its fifty-first annual meeting in Denver June 23-26, under conditions stimulating high professional interest. For one thing, the I. C. C. decision in the momentous Chicago Great Western case (accounting for property investment by reorganized roads) was anxiously awaited—with its far-reaching potentialities on accounting procedure, on depreciation practice, and (possibly) on income taxes. When a telegram was received that this decision had been made public, the regular order of business was suspended and Director Crandall of the I. C. C. Bureau of Accounts was called upon for a detailed summary and interpretation of the decision—which he gave with great candor to an eager audience.

### Toland Is New Vice-Chairman

Officers elected for the ensuing year were: Chairman, G. T. Carmichael (comptroller, N. Y., N. H. & H.); first vice-chairman, E. A. Leslie (comptroller, C. P. R.); second vice-chairman, H. A. Toland (general auditor, U. P.); secretary, E. R. Ford (re-elected). Total attendance was 670, of whom approximately 265 were active members. New York was chosen as the next place of meeting. While the concern of the convention was strictly business, a considerable program of tours was arranged for the off-hours to acquaint the visitors

with the economic and scenic attractions of the Denver area—under the chairmanship of T. A. Thompson, general auditor, D. & R. G. W. Arrangements for the ladies were in charge of a committee headed by Mrs. E. J. Hennessy, wife of the assistant to general auditor, D. & R. G. W.

### W. M. Jeffers Delivers Opening Address

The president of the Union Pacific made the principal opening address. He urged less complacency on the part of the American people with respect to the international situation. It is a real war that faces us, he said, calling for the best effort of which our people are capable. The rank and file of working men are all right; but some of them have been misled. Railroad labor, however, said Mr. Jeffers, is awake to its responsibility. It will do its duty in the country's crisis. Railroad men are well-trained, well-disciplined and loyal. It is the business of management to supply these men with the equipment and tools with which to do their job, and, with this done, the nation's "first line of defense—the railroads" will fulfill the task before them.

For the "older generation," President Jeffers suggested that it set an example of hard work for the younger; that Sunday work be substituted for "week-end blackouts."

Colorado officials—Acting-Governor Vivian and



Mayor Stapleton of Denver—participated in the opening session. The Acting Governor said that there would not have been any Denver or even a Colorado, except for the railroads, and he indicated his appreciation of some of the railroads' difficulties and his hearty opposition to government operation. The Mayor said that Denver so appreciated the railroads that it built its own railroad to Cheyenne when the first transcontinental line passed it by. He spoke with great enthusiasm of the superior train service available into Denver, and ribbed the Eastern lines for their alleged failure to provide comparable service.

Henry Swan, trustee of the Denver & Rio Grande Western, was introduced to the convention and spoke briefly—principally to disclaim any pretensions towards being more than a part-time railroad man. On his railroad, he said, he was "considered to be a banker." He spoke of the problem of prolonging the life of the railroad industry, or giving it a rebirth; and of his view of the carriers as an industrial enterprise with a product to sell, parallel to the situation of any other enterprise.

### "There Is Going to Be Railroading Done"

Col. R. S. Henry of the A. A. R. dramatized the resourcefulness of the railroad industry in time of stress by giving information he had on the heroic job being done by British railwaymen. Subject to intensive bombardment, no railway line in Britain has been put out of service for more than 12 hours, and the average is only 3 or 4 hours. He recounted the tremendous military job being done by these carriers—on top of their regular traffic and that thrown upon them by the heavy diversion of tonnage from coastwise steamships.

The task of the American railroads is not likely to parallel that of the British roads, but the same resourcefulness is here; and "there is going to be railroading

done" in the months which lie ahead. The "experts" say it can't be done, and, when it is done, Colonel Bob is going to have some pleasure in confronting these fellows with their own words.

### Praise for Fowler

A resolution of appreciation for the friendly co-operation of retired-Director Fowler of the I. C. C. Bureau of Accounts was adopted, to which Mr. Fowler responded, addressing the audience as "Fellow Railroaders." Director Crandall, Mr. Fowler's successor, was then called upon and gave some of the thoughts uppermost in his mind upon assuming his new duties. He sees a large field of usefulness for the railway accountant; but believes that this usefulness can be maximized only if the job is tackled from the viewpoint of the industry as a whole—rather than from that of the individual carrier. Accounting in recent years, in his opinion, has undergone rapid development. There has been a widespread acceptance of more exact standards (possibly because of the requirements of such federal agencies as the S. E. C.). There has been a shift of interest from the balance sheet to the income statement. There needs to be closer attention to the matching of costs and revenue.

Mr. Crandall was outspoken in his views on accounting for depreciation. "One of the defects of the accounting rules is the charging off to surplus of property not depreciated during its useful life." Undue concern for an income showing for a given year has had the effect of overstating railroad income; and may be one of the causes of recent railroad distress. Depreciation charges have no relation to replacement.

Mr. Crandall's emphasis on this subject was given additional point by a letter from Chairman Eastman of the I. C. C., who promised the accountants that "if all goes well" they may hear more on this subject in the near future.

## T. H. Seay Reviews the Year

Chairman Seay's address to the convention was a review of the year's developments in accounting, and his views on current problems. What follows is a considerably abbreviated abstract of his remarks:

*No Mere Job.*—I have always harbored the personal belief that those of us who are employed by the railroads have a life's work which goes beyond our own selfish interest in seeking a livelihood—and even beyond employment by a corporation whose purpose is to make such profits as can legitimately be made from services sold. We are giving a public service of which we can be justly proud. Civilization and transportation have always marched side by side, so that no matter what the state of the nation, never at any time does transportation by rail cease to be of direct and material service to the people as a whole, nor does it ever cease to be a problem of vital importance.

I believe that our own self-esteem demands a recognition of the service which the accounting officer gives to transportation. Someone wrote that the accounting officer's function is to look ahead—to the extent of the training and experience with which he is endowed—and advocate and make suggestions to the management which will prepare and protect the industry in future years. We justly can be proud of the part we play.

*Membership.*—A few words as to our membership: There are now 263 member roads and subsidiaries represented by 592 accounting officers. In addition, limited memberships have been granted to 200 carriers and subsidiaries, with 207 accounting officers. Altogether the total membership aggregates 463 carriers, represented by 799 accounting officers. There are also 56 honorary members. Honorary membership is being conferred on 9 members at this convention.

*Commodity Statistics.*—During the past several years the Committee on Statistics and the Freight Committee, together with traffic officers, jointly have considered proposed changes submitted by the Bureau of Statistics modifying the Interstate Commerce Commission's order of November 22, 1927, in the matter of Freight Commodity Statistics. The Bureau has accepted the carriers' recommendations that no radical changes be made in the list of commodities, but failed to agree on the rules proposed by the carriers in an attempt to secure uniformity in reporting specified classes of traffic as between that terminated and originated. This action would seem to preclude the disposition of the subject at this time and it will be necessary to have further conference with the Commission's representatives.

*Class Rate Inquiry.*—The rescinding of the order of the Commission dated January 9, 1940, in the Class Rate Investigation, I. C. C. Docket No. 28300, proved to be a welcome relief. Under this order 45 carriers were ordered to record and analyze in detail the movement of all traffic, both carload and less, which they terminated on 12 selected days during 1939. In addition to utilizing the information available on the waybills, the carriers would have been required to go back into their records in order to furnish such information as the short-line mileage, actual route mileage from point of origin to destination, and other information from the Consolidated Freight Classification. It is hoped that the demand for these studies will not be revived during the present emergency; and thus relieve the accounting and rate forces of the carriers of an added burden which they are not now prepared to undertake.

Only recently a complete study and tabulation showing cost scales by territories and units of equipment has been released by



the Commission prior to its introduction at a forthcoming hearing in the Class Rate Investigation.

**Cost Finding.**—Some time ago accounting officers were put on notice that the subject of cost finding had been assigned a place on the Commission's docket, No. 122, but to date no hearings have been assigned, nor do they appear likely in the near future. It is understood, however, that the Bureau of Statistics has an active force engaged in progressing the subject of cost finding, which to date has participated in the preparation of data for a number of individual switching and rate cases. At the present time most of the larger carriers are engaged in the compilation of a questionnaire in the Automobile Case, Docket No. 28190, in which the Bureau is attempting to develop the cost of handling this class of traffic. We are awaiting with interest to learn what conclusions may be drawn from the data after it has been compiled by the carriers.

**Depreciation.**—After a lapse of a number of years the question of depreciation accounting again came up for consideration. It originated through proposed changes in the accounting classification, now being discussed with the Bureau of Accounts, and was also more forcibly brought to our attention by a number of reorganized railroads. In reorganization plans the Commission had permitted the offsetting of required capital fund appropriations by depreciation accruals on fixed property. The subject received much consideration and a report was prepared by a special committee. A complete discussion of the findings is given in the General Committee's report, in the published Agenda of the convention.

**The C. G. W. Case.**—One of the most vital accounting questions that has confronted us in many years has been presented in the Chicago Great Western Case, Docket No. 138. The issue to be decided was—how should a company reorganized under Section 77 of the Bankruptcy Act record its investment account upon emerging from reorganization? A special committee of accounting officers collaborated in presenting the views of carriers on this important subject. Oral argument was had before the Commission and a brief outlining our position was filed. Accounting officers advocated that the investment account should reflect the original cost of the property owned and any difference between it and the capital securities should be shown on the credit side of the balance sheet. It is hoped that the Commission will finally accept our views\* in order to preserve uniformity and comparability in accounting as between railroads and to insure the integrity of the income accounts.

**Obedying the Rules.**—While the railway accounting rules provide that mandatory and recommendatory forms be used, there should be no objection on the part of any accounting officer to deviation from these forms for experimental purposes, where such deviation causes no expense to any other carrier. While it is true that in many cases the forms are built around the rules, on the other hand, there are many cases where the rules are built around the forms and in times past deviation from the forms has provided simplicity and economy in accounting.

However, deviation from the accounting rules is entirely another matter. These rules are formulated and adopted after mature consideration by committees of accounting officers and they are intended to provide the greatest good to the greatest number, or they would not have been adopted. Without these accounting rules we would have no procedural guide and we would find ourselves preparing our accounts and records in a different manner from those of our neighbor, soon resulting in chaos and confusion and causing needless expense.

Like many of my predecessors in office, I cannot too strongly urge each and every accounting officer to abide steadfastly by the mandatory accounting rules which are in effect. If there is any unfair or obnoxious rule, there is an orderly procedure prescribed for modification—let us change it—but until a change has been authorized all the rules should be observed in letter and spirit.

**Freight Divisions.**—The traffic and accounting officers have adopted the comprehensive report of the Nash Committee urging the consolidation and simplification of divisions, but, as the Freight Committee points out, this does not necessarily afford automatic insurance against errors in application of divisions, although the full adoption of the plan will go a long way in

enabling the accounting officers to spend more time on the initial application of divisions than heretofore. As a consequence accounting officers have approached the matter of rendering correct interline freight settlements with the view of developing an accounting procedure by which divisions, when determined by one carrier, can be verified by the other interested carriers prior to the application of divisions on the interline abstracts. The direction given this subject by the Committee on Freight Accounts has resulted in the compilation and distribution of a number of these plans among the carriers. These plans, while by no means exhausting all possibilities, do, in fact, provide a number of methods, both manual and mechanical, for the pre-audit and application of divisions and for their verification. I cannot too strongly urge all supervisory accounting officers to give these plans careful study as one further step in the development of the most economical method for the division of interline revenues.

**Simpler Waybills.**—Last year a four-part combination form of bill of lading and waybill, prepared with the cooperation of the traffic, operating and accounting departments of the A. A. R. and the National Industrial Traffic League, was adopted as a recommendatory form.

The waybill portion of this form, when prepared by the shipper, is used as the transportation and accounting document and provides the destination agent with all of the facts relating to the contract between the shipper and the origin carrier, thus enabling a complete and correct settlement with the consignee at the time the freight is delivered at destination. Some minor changes in this form which were found necessary were promulgated to the traffic, accounting, and operating officers of the railroads.

Recently there was submitted to the Committee on Freight Accounts a basic short form of combination bill of lading-waybill, harmonizing in all essentials with the standard size form previously recommended and adopted, this short form to be used as a basic form to assist shippers who now provide their own bill of lading forms to supply the origin carrier with the waybill copy for the use of the carriers as a transportation document. While the matter is still in its formative stage, it is hoped that such a recommendatory short form will enable many shippers to take advantage of this plan.

**Classification Changes.**—For the past several years, the Bureau of Accounts of the Interstate Commerce Commission and accounting officers have been considering revisions of the railway accounting classifications. This program has sometimes been referred to as a "piece-meal" revision, but this designation is only to denote that each account or rule is scrutinized and, where a change is necessary or desirable, it is made a subject for review. It is and should be a continuing process. As the changes already adopted or those under discussion are reviewed, it is apparent that we are fast approaching that point where we have accomplished more than we would have been able to accomplish if a complete revision had been undertaken at one time—with the added advantage that full and complete discussion has been given every modification and with a minimum of disturbance to our routine procedure.

We are now considering some fundamental changes in principle in the classifications which, if adopted, will have a far-reaching effect in increasing charges to operating expenses and income accounts and decreasing charges to profit and loss and investment accounts. Other proposed changes in operating expense combine, re-group and simplify these accounts and change long-established accounting practices and distort comparisons with previous years. I am sure that accounting officers appreciate the serious responsibility that faces them and will make their decision on a long-range viewpoint for the good of the industry and not simply be guided by the particular situation at the moment on their own railroad.

Our national government is now our largest shipper and it is involved in the establishment of a defense plan necessary to maintain this nation as a democratic entity. The American Railroads as the largest mass transportation agency have a definite responsibility placed upon them to insure the success of this movement. The railroads are ready to do the job and in fact they are doing it and will keep ready. Industrial cooperation in the present emergency includes transportation as well as production, and that in its fullest sense requires the efficient coordination and cooperation of each department and each employee of the railroads. The part the operating and transportation department

\* It did, at least 90 per cent.—Ed.

and the Car Service Division are playing in these endeavors is well known to you. The traffic department is aiding in promptly disposing of requests for section 22 rate quotations, and the establishment of transit and warehousing arrangements.

**Short Cuts in Emergency.**—As accounting officers, we have a definite contribution to make. Most of these arrangements by these other departments are made operative before the transportation is performed. Advance knowledge of the arrangements are extremely helpful to accounting officers, but our primary responsibility begins after the movement is completed. It is the desire of all concerned to provide the accounting officers with the details insuring full protection of the carrier's revenues. But short cuts have and must be made in this emergency. I am sure that accounting officers will agree that it is our patriotic duty to accept this shortened procedure and not insist upon the meticulous and detailed information that we have been accustomed to in our commercial relations with shippers.

**A. A. R. Publications.**—During the year the "Accounting Classifications" was revised to take care of modifying orders effective up to January 1, 1941. It is available in either a bound volume or in loose-leaf form. Likewise, a supplement to the loose-leaf interpretations of the Accounting Classifications, containing Bulletin 15 orders and "A" Cases, was issued, which completely revised the former volume to March 1, 1941.

The Passenger Committee approved a supplement to the Passenger Manual and the Disbursement Committee likewise released a supplement to their Manual, which supplements have greatly enhanced the scope of these Manuals. As the Manuals are widely circulated it is essential that they be supplemented from time to time in order that they may be kept up to date. The Committees urge the membership to submit new suggestions and plans so that those that are worthy to be manual material may receive the credit that is due them and be published for the benefit of all. A supplement was issued to the Accounting Rules Book, but on account of the many changes adopted this year, it is now necessary to republish the Rules Book, and this will be done early in the fall.

**New Duties.**—I believe the railroad accounting organizations are at the highest level in their history. During the past few years we have been confronted with the necessity of developing entirely new systems to meet the requirements of federal agencies, such as those of the Railroad Retirement Board in pension and unemployment matters, the Fair Labor Standards Act, and others. We have met these requirements by surprisingly economical methods—in fact, in many instances much additional work has been absorbed by existing forces. These high standards have not been the result of accepting without investigation the requirements of the federal agencies, but by cooperative efforts in developing the most feasible and economical methods of giving these agencies the information they needed.

**Organization.**—One of the principle factors which has made possible the attainment of our present high standard has been due to the centralization in one department, headed by the chief accounting officer, of all accounting and statistical work. As the chief accounting officer is responsible for the proper recording and receipt of all of the revenue to which the railroad is lawfully entitled, and likewise the overseeing of expenditures to keep within budget allotments, a co-ordination of effort and personnel is possible by this centralization.

The statistics are largely a by-product of these two other activities. To scatter either the accounting or the statistics showing the results of operations, is to make this everybody's job and consequently nobody's job, resulting in an unintelligent maze of accounts and statistics. The management, responsible as it is to the stockholders, the real owners of the railroad, must look to the accounting officer for the data which are so essential, not only in determining the result of operations, but to support and verify the predictions so essential for any business to operate successfully.

**Data for Planning.**—The data which daily flow through the Accounting Department, when properly summarized and interpreted in the light of other barometers of business activity, should furnish the management an accurate picture of what the prospects are, thus enabling intelligent advance planning. If our accounts and statistics are not usable we have wasted our time and effort. I repeat—the railroads have a bigger job

to do than ever before in their history, not only because of the increased traffic which will have to be handled because of the national defense program, but because the present emergency recently declared by the President of the United States places upon the railroads the responsibility of furnishing even better transportation. I am sure the accounting officers will respond to this call, and to do this they must quicken their procedure to meet the needs of government transportation, as well as that of commercial transportation.

**Personnel.**—It follows, therefore, that the personnel of the accounting departments must be maintained at its high standard. And this refers not only to the bureau heads in the accounting department, but to each and every employee. It is largely a matter of personnel and supervision, and each accounting officer should look ahead and prepare his organization to grow to larger responsibilities as time and necessity dictate. We must have a wider vision than ever before. Just as we have noted the vital changes taking place in our production lines, just so should we become conscious of the new order of things in transportation.

**The Present Boom Will End.**—The railroads today, while enjoying a substantial increase in traffic due, unhappily, to existing world conditions, must realize that these peaks of traffic will subside and be succeeded by other levels. For this reason, it is necessary to protect our commercial traffic during these times. In addition to expediting the accounting for government traffic, we need to continue to develop methods and practices in accounting for our normal commercial traffic which will result in lower unit freight accounting costs as our contribution to laudable efforts to lower the general level of freight rates.

I cannot lay too much stress upon the necessity for an organization in the accounting departments capable of growing with the new and modern way of doing things. Every effort should be put forth to develop trained supervisors over all phases of accounting. If not already in effect, it seems to me that our railroad accounting department organizations should have one or more high-class supervisors, detached from all routine duties, who could properly examine into the various plans and methods of accounting now in effect and develop ideas for their continual improvement.

**A. A. R. Accounting Staff.**—I would be remiss indeed if I did not record my appreciation of the splendid leadership so ably demonstrated by Vice-President E. H. Bunnell. He, together with those of his staff, has labored in our behalf and has made it easier for us to carry on. Our thanks are likewise due to the chairman and members of the various committees, and our secretary, whose work is clearly evidenced in the fine Agenda for this meeting.

### Bunnell Lauds I. C. C. Co-operation

The leading emphasis in the statement of E. H. Bunnell, vice-president of the A. A. R. accounting division, lay in the degree of co-operation achieved between the railway accounting fraternity and the I. C. C. staff with whom they come in contact. This co-operation, Mr. Bunnell explained, began at the very inception of the Accounting Association, in 1888. At one time this friendly relationship disintegrated somewhat—but in recent years it has been renewed and strengthened. With the establishment in Washington in 1934 of a responsible accounting officer representing all the carriers, "contacts with the Commission's representatives have been broadened to an extent which our predecessors probably considered impossible of attainment." Credit for this accomplishment was accorded, not only to the governmental officers (I. C. C., Retirement Board, and others) but to the division's contact committee under the chairmanship of T. H. Seay (comptroller, Southern).

Mr. Bunnell also drew attention to the degree of teamwork achieved between the officers composing the Accounting Division and the A. A. R. administrative staff under his direction—and the aid which the latter receives from the other departments of the A. A. R. For ex-



ample, Elmer Monroe of the Bureau of Railway Economics has been serving the Accounting Division in an advisory capacity. Reciprocally, the Accounting Division has given assistance to other activities of the A. A. R.—for example, to Dr. C. S. Duncan, the Association's economist, in his studies of "public aids" (euphemism for subsidies) to rival transportation agencies.

Mr. Bunnell explained some of his office's activities in furtherance of railroad accounting—as, for example, the widespread distribution of minutes of the meetings of the accounting committees, so that railroad accountants may have the benefit of the reasoning by which these specialists arrive at their decisions. He related also how his office distributes the decisions in arbitration cases (with the result that, through better understanding of the principles being applied, disputes tend to decrease in number).

The vigilance of the A. A. R. accounting office in watching proposed governmental demands on the railroads was also touched upon—striving to induce the governmental inquiries to be "limited to the necessities of proper administration and that they be adapted to existing routines." The attention with which the Washington office is watching and endeavoring to protect the railroads' legitimate interests in the tax situation and with regard to social security legislation was also recounted.

Mr. Bunnell closed his report with a tribute to the retiring chairman of the division, T. H. Seay. He said in part: "In all of the years of my association with Tom Seay I have never known him to decline an assignment, no matter how arduous; he has energetically, and in his inimitable enthusiastic and aggressive manner, approached every problem from the standpoint of securing the greatest good for the greatest number."

### Committee Reports

Those who follow the work of the Accounting Division are familiar with its practice of publishing, well in advance of its annual meeting each year, an "Agenda" for the meeting—which contains all the recommendations of the Division's several committees. In view of the wide distribution of this Agenda, the *Railway Age* report of this meeting does not attempt to duplicate its contents, but does record noteworthy variations and changes in committee reports from those published in advance.

In presenting the report of the Committee on Statistics, Chairman K. H. Lyrla (statistician, Ill. Cent.) said that the committee had disposed of all the subjects submitted to it—with the exception that the question of freight commodity statistics, in view of the attitude of the I. C. C., would have to be taken up again. The committee, said the chairman, had covered many subjects informally; and he particularly stressed the decision to use the A. A. R. accounting office as a "clearing house" for formulas used in cost finding. He called attention to the continued interest of the I. C. C. in this subject, and particularly to what it is doing in Dockets 28190 (auto rates) and 28300 (class rates).

Chairman Daeschner (auditor freight accounts, N. Y. C.) of the Freight Accounts Committee reported on 70 subjects. He announced that the question of freight commodity statistics, because of new developments, would be carried over for further action by the new committee. Also carried over for further consideration was a proposal for a time limit on the resubmission of statements of differences and a question having to do with the payment of motor carriers who do work for railroads under contract. A question having to do with accounting for "consolidating and/or forwarding charges" was continued on the committee's docket; and

of this question Mr. Daeschner said: "We are just as much at sea now as we were in April."

### Methods for Preaudit of Interline Accounts

Called upon by the chairman, A. T. Martin (auditor, So.) told of the work done by the committee in connection with the preaudit of divisions on interline carload traffic. In this study the committee was assisted by the A. A. R. accounting staff in issuing a number of different plans. It is not necessary that one uniform method be adopted by all carriers; or even that an individual carrier use the same plan with regard to all of its traffic.

In presenting the report of the Passenger Accounts Committee, Chairman Painter (auditor passenger traffic, P. R. R.) invited all members—not only committee members—to submit proposals for improving passenger accounting. In the view of the increase in work to be done, and possible shortage of skilled help, he is particularly interested in the applications of time-saving machine methods to this work. The committee rescinded its proposed amendment to Mandatory Rule No. 49, as reported in the Agenda. Also continued on the committee's docket (as well as that of the freight committee) is the question of accounting for payments made to motor carriers which perform services under contract for the railroads. In the proposed revision of Mandatory Rule No. 9, as reported in the Agenda, under "Form A D-12," after the words "government traffic," the committee inserted the words "when carriers render separate reports thereof."

### Confusing the Conductors

In addition to its report in the Agenda, the committee has also taken up the question of proper abbreviations to be used in connection with travel by furloughed soldiers (at a specially reduced rate). It is also concerned with the question of standard forms of tickets. New ones being printed are satisfactory, but it may be a long time before some of the old "conductor confusers" are used up; and a joint committee of accountants and passenger officers to canvass the situation would help. In closing his report, the chairman called upon L. M. Grice (auditor passenger traffic, B. & O.) who read a poem, "The Pioneers," of his own composition.

The Disbursement Committee—H. F. Brahany (auditor, C. & O.), chairman—reported that it had been called upon to consider more important changes than at any time for five years. Most of the subjects submitted to it have come from the I. C. C., but many of these originated with the railroads—some of them as far back as 1927, when the accountants last met in Denver. Proposals as old as this, in the chairman's opinion, ought either to be adopted or discarded; not continued in the discussion stage for such a long period. So much time was spent on handling submissions to it that the committee contributed less toward improvements in the Manual than it had hoped to do.

### M. R. Reed and Dr. Stevens

Member Reed of the Railroad Retirement Board reviewed briefly but comprehensively the current status of operations under the retirement and unemployment insurance acts (his summary being omitted here, since such information is reported currently in our news columns). He spoke rather sharply of persistent efforts being made to liberalize pension benefits, at a time when doubt exists as to the adequacy of present income to



cover existing obligations. There will shortly be an accumulation of \$200,000,000 in the unemployment insurance fund—sufficient to meet seven years' disbursements; and, in Mr. Reed's opinion, it is indefensible to require payments into the fund at the current rate.

Dr. W. H. S. Stevens, assistant director of the Bureau of Statistics, said that that Bureau appeared to be in the position of demanding "more and more" information; and Mr. Bunnell's position was that they needed "less and less." He told how the Census Bureau had revised its commodity classifications and is now getting detailed production figures on thousands of commodities. He believes the railroads' commodity statistics should be revised to offer comparability with the Census figures—so that the railroads may know accurately what proportion of the nation's production they are moving; and how much they are losing. He said that Dr. Lorenz believed adequate information from the railroads would require examination of waybills.

### Reeder on Arbitration

A. H. Reeder, auditor freight accounts, F. E. C. presented a paper on arbitration. He sketched the historical development of this device; and its rapid growth in the U. S. following its acceptance under law in all but two of the states. The "deliberation, fairness and impartiality" of arbitration was stressed in contrast to litigation, mediation and conciliation. Litigation permitted reliance on technicalities; mediation simply strove for an agreement without justice necessarily being its guiding motive; while conciliation was merely a cooling-off process, not itself productive of conclusive results.

In the railway accounting field, the overcharge rules arbitration committee has dealt with 905 submissions since its inception, with only 242 of these cases later being taken to the appeal committee. To improve the quality of arbitration in the accounting department, Mr. Reeder made a number of recommendations, among them the following:

Parties should accept the findings in former cases which resemble their own.

Claims should not be presented, beyond the authority of the arbitrators to decide.

Supporting documents should be placed in logical sequence in claim files.

No necessary documents should be omitted.

Supporting documents should carry authority—not be pencil copies or fragmentary.

Immaterial evidence should be omitted.

The rule under which an award is sought should be clearly indicated.

Unsupported allegations should be omitted from briefs.

Where legal contentions are made, clear citations from legal authority should be given in support.

Briefs should reflect the controlling facts.

Summaries should be carefully prepared to reflect the more detailed contentions.

Interested accounting officers should review arbitration cases so that principles developed thereby may, by general application, mitigate further controversy.

### The Threat of Misinformed Employees

A paper on "Trends in Transportation and What Analysts Do to Improve Them" was presented by J. G. Lyne, assistant to editor, *Railway Age*. This speaker held that vital conditions controlling the economy and efficiency of railroad operation are now being decided for the railroads by spokesmen for employees; and that it is obvious that such decisions cannot be wise or realistic, even in the selfish interest of employees, unless the

latter have basic economic information about the railroads. Such information, the speaker maintained, the employees are not now getting. Some of the carriers have, to be sure, improved their annual reports—to make it possible for employees to understand them; but this is once-a-year information.

What is needed, in the speaker's opinion, is a frank and specific statement (probably once a month) by a carrier giving details of increased or decreased employment, and the causes therefor. In particular, it was stressed that when employees are furloughed, due to loss of traffic to competitors or because of rising labor costs, such employees are entitled to an explanation of the source of their misfortune. Statistics were presented to show that the total well-being of employees as a whole cannot be improved by upward revisions in wage rates; that such revisions have the effect, merely, of dividing a pre-determined total of money among a smaller number of men.

The speaker raised a question as to the adequacy of average ton-mile revenues as reflecting the cost of railroad service to patrons—citing one instance of a large industry whose rates are now in excess of 100 per cent above the 1913 level—while both its selling price and the cost of its raw materials are *below* the 1913 level. The result of this industry's reduced selling price has been an 800 per cent expansion in its sales; but there has been little or no expansion in this industry's rail shipments—the increase has largely gone to rival agencies of transportation.

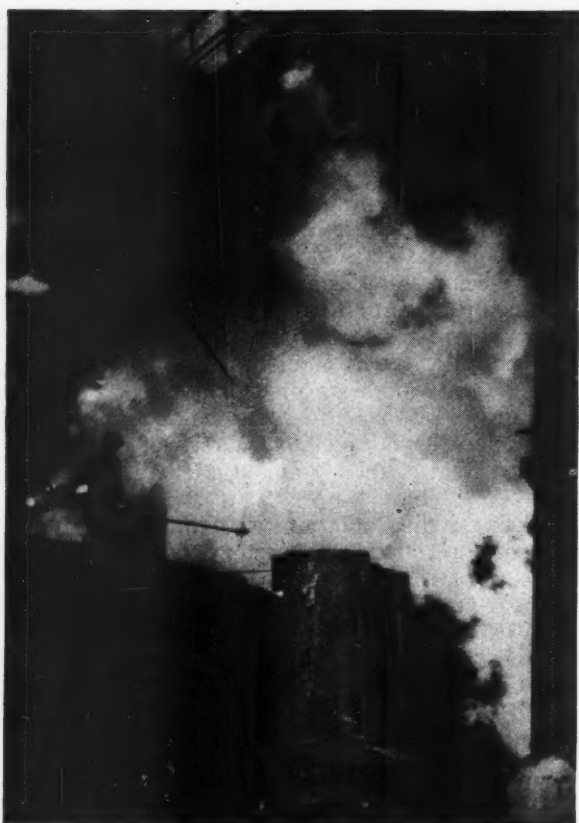
It was not contended that the above instance was typical, but the question was asked whether railroads knew whether it was typical or not. And how they could adjust their prices and services so as to retain traffic, instead of losing it, in the lack of such information.

### Need for Information on Outside Industry

The speaker concluded by agreeing with Chairman Seay as to the great opportunities which now exist for the accounting department to render service to management by providing it with economic information for its guidance. He further suggested that adequate information could not be found alone within the railway industry, but trends of general business needed also to be weighed (to which end charts from the National Industrial Conference Board were displayed). The opinion was offered that, if the highest degree of economic intelligence were not displayed by the carriers in the time now given them to organize it, the post-war slump might find the roads in government ownership; and swarmed over by researching pedagogues from the administrative branch of the government.

The conclusion was reached that intensive economic examination of transportation was a natural development and that, if railroad men shied away from it, the job would probably fall to others. This would be a misfortune because, in the speaker's view, it is much easier for a man who knows railroading to learn economic analysis than it is for a theoretical economic analyst to learn railroading.

MORE THAN 1,300 ADULT MEMBERS of New York evening elementary schools traveled to Washington, D. C., during a recent week-end on two special trains of the Pennsylvania. The party constituted the largest college group ever to make a pilgrimage to the nation's capital, according to P. R. R. traffic officers. Most of the students were foreign-born adults who have been taking courses in Americanization and the English language. The entire trip, including a sightseeing tour of the city, was priced at \$7 per person.



Filling Ingot Molds—One of the Photographs Included in the Fourth Photographic Exhibit of the Society\*

**I**N THE light of the huge rearmament effort being made by the country, which is calling for the utmost in the effective utilization of materials and production facilities, the Forty-fourth annual meeting of the American Society for Testing Materials, held at the Palmer House, Chicago, on June 24-27, took on largely increased importance from a national defense standpoint. At the same time, either directly or indirectly, it brought out many facts of importance to the railway industry, especially in the present era of higher train speeds which is calling for widespread changes in many material specifications for both equipment and roadway—facts, which are bound to become increasingly important. Not without significance, too, is the inference, if not the threat, that was carried throughout the meeting, that industry generally, including the railways, must be prepared to subordinate its needs for certain basic materials, particularly aluminum and certain alloying metals, to the requirements of national defense.

#### Seventeen Technical Sessions

The meeting, which was presided over by Dr. W. M. Barr, president of the society and chief chemical and metallurgical engineer of the Union Pacific, embodied 17 technical sessions, in addition to numerous committee and subcommittee group meetings. Altogether, the program included more than 115 separate technical papers and committee reports, these being grouped according to allied or related subjects for consideration at the various sessions. In conjunction with the meeting, the society conducted its Sixth exhibit of testing appliances and related equipment and its Fourth photographic

\* Entered by Thor Nielsen, Carnegie-Illinois Steel Corporation, under the title "Smoke, Steel and Brawn."

## Materials Given Critical Study at Chicago

Many reports and addresses at Forty-fourth annual convention of American Society for Testing Materials have an important bearing on national defense and the railroads

exhibit in the exhibition hall of the hotel adjacent to the convention area.

Registration at the convention totaled 1,551 members and guests, an all-time high, which compares with the previous peak registration of 1,523 at the annual meeting in New York in 1937, and the registration of 1,440 last year at Atlantic City, N. J. That the work accomplished by the current meeting was also at a peak is seen in the fact that approximately 70 new tentative standards were adopted, all representing new or recent work on the part of committees. The annual meeting next year will be held at Atlantic City on June 23-26.

In accordance with the functions of the society and its usual convention procedure, the work of the meeting was given over largely to the consideration of specifications for a wide variety of materials and tests. Among the highlights of the meeting were Dr. Barr's presidential address, on Speed, Specifications and Safety, with its direct reference to the recent accomplishments of the railways; an address by J. D. Van Deventer, president and editor of the Iron Age, on Mobilizing Materials for Defense; and a number of symposiums, several of which had direct or indirect bearing on railway materials and test problems.

In the letter-ballot election of officers for the ensuing year, the result of which was announced at the opening session, Dr. G. E. F. Lundell, chief of the Chemical division of the National Bureau of Standards, Washington, D. C., was advanced from vice-president to president, and Dean Harvey, materials engineer, Engineering Laboratories and Standards department of the Westinghouse Electric & Manufacturing Co., East Pittsburgh, Pa., was elected vice-president.

#### Specifications Essential in National Emergency

The keynote of the convention was sounded in the annual report of the Executive committee, in which it was announced that the society has offered its assistance to the appropriate agencies of the government, with



the realization that as conditions with respect to the availability of various strategic materials change under the demands of the country's defense program, it will be incumbent upon all specification-writing bodies to modify specifications to meet the changed conditions. "It has become increasingly clear," the report said, "that the program of production of armament and other materials necessary to the national defense will demand the utmost effective utilization of our country's facilities, materials and personnel. The magnitude of the procurement problems involved are now evident. An essential element of the procurement of a product or material is an adequate specification describing the quality, properties and performance characteristics desired, based upon definitive tests; and it is with this phase of the defense program as related to engineering materials that our society is most concerned and can be of most assistance."

### Van Deventer Discusses Materials Situation

Carrying forward the challenge of the war and our national defense program to the engineer, scientist and industry in general in bringing about the most effective utilization of materials, Mr. Van Deventer, in his address on Mobilizing Materials for Defense, pointed out that this war is essentially a competition between nations in the production and utilization of materials. "This war will be won by something new," he declared, "and this something new," he said, "probably will be something in the management of materials that will enable us to bring to bear more effectively in production the overwhelming superiority that we possess in natural resources."

Continuing, Mr. Van Deventer stressed the enormity of the national defense program from the standpoint of material and production needs, and then discussed successively the situation with regard to the more basic materials and metals that will be required, including steel, aluminum, nickel, manganese, chromium, copper, tin, zinc, etc. pointing out the "choke" points which have already developed or which are in prospect unless measures are taken to circumvent them. In this latter connection, he made it evident that to meet the needs of national defense, the domestic uses of many of these materials must be restricted severely, citing the case of nickel, in particular, and the efforts that are already being made to provide substitutes for this metal in the manufacture of stainless steels. With the largely increased use of aluminum alloys and high-strength alloy steels in locomotive and car construction in recent years to meet the demands of higher speeds, reduced weight and maximum safety, all of which materials require the now "precious" alloying metals demanded for national defense, these facts are not without significance to the railways.

### President Barr Reviews Railroad Developments

In his presidential address on Speed, Specifications and Safety, Dr. Barr first reviewed the phenomenal progress that has been made by the railways during the last decade in speed, capacity and performance, and then pointed out that this has been brought about with fewer accidents to passengers and employees annually than occurred 40 years ago.

"What has been necessary to maintain the excellent safety record of the railroads in the face of constantly increasing speeds, heavier loads, longer trains, larger locomotives with increased boiler pressures, and the introduction of the high-speed Diesel-electric power

units?" he asked. Responding to his own question, he said—"The answer lies in improved designs, new and higher-strength materials, better maintenance of both roadway and equipment, constant watchfulness by supervisory forces, and last, but not least, a continuous safety campaign by an organized force."

Continuing, Dr. Barr reviewed briefly the technological improvements that have been adopted in large measure by the railways in the interest of improved performance and safety, citing the extensive use being made of alloy steels for locomotive forgings and castings; the use of high-tensile-strength low-alloy steels and stainless steel for car construction; the developments in wheels, which have permitted higher specification limits and improved service; the advances made in rail steel and mill practice to eliminate the transverse fissure and to improve rail generally for high-speed, heavy traffic; and the improvements that have been made in boiler water treatment in the interest of better locomotive performance and minimum boiler maintenance. With regard to the last mentioned development, Dr. Barr said that, "Without such improvements, the high speeds and heavy tonnages of trains today would be impossible. Nor," he continued, "would the operation of present-day high-pressure boilers be successful."

### Steel and Allied Products

Steel, cast iron and special alloys were the subjects of many reports and papers. The Committee on Steel proposed a new specification covering hot-worked, high-carbon steel tie plates, for immediate adoption, and six new tentative specifications, all of which are of interest to the railways. In addition, it proposed the adoption as standard of its tentative specifications for high-strength structural rivet steel, and numerous revisions in other specifications. A partial list of the various specifications affected follows:

#### New Standard Specifications

Hot-Worked High-Carbon Steel Tie Plates

#### New Tentative Specifications

Low-Alloy Structural Steel  
Carbon-Steel and Alloy-Steel Ring and Disk Forgings  
Carbon-Steel and Alloy-Steel Blooms, Billets and Slabs for Forgings  
Heat-Treated Wrought Steel Wheels  
Light Gage Structural Quality Flat Hot-Rolled Carbon Steel, 0.2499 and 0.1874 In. to 0.0478 In., Inclusive, in Thickness  
Light Gage Structural Quality Flat-Rolled Carbon Steel, 0.0477 In. to 0.0225 In., Inclusive, in Thickness

#### Revisions of Tentative Standards

Alloy-Steel Forgings for Locomotives and Cars  
Seamless Carbon-Molybdenum Alloy-Steel Boiler and Superheater Tubes

#### Tentative Revisions of Standard Specifications

Steel for Bridges and Buildings  
Carbon Steel and Alloy-Steel Blooms, Billets and Slabs for Forgings  
Lap-Welded and Seamless Steel and Lap-Welded Iron Boiler Tubes  
Welded and Seamless Steel Pipe  
Black and Hot-Dipped Zinc-Coated (Galvanized) Welded and Seamless Steel Pipe for Ordinary Uses

#### Adoption of Tentative Specifications as Standard

High-Strength Structural Rivet Steel  
Carbon-Steel Castings Suitable for Fusion Welding for Miscellaneous Industrial Uses

In presenting its new specifications for tie plates, the committee pointed out that they follow requirements set up by the American Railway Engineering Association. Likewise, it pointed out that the specifications for heat-



treated wrought steel wheels are based upon the requirements of the Association of American Railroads. The tentative specifications proposed for low-alloy structural steel, the first such general specifications ever to be developed, it is said, were prepared to overcome confusion which exists relative to the merits of various available materials. The steels covered by these specifications are characterized by a somewhat higher tensile strength, and, in particular, by a definitely higher yield point than ordinary structural carbon steels.

The Committee on Iron-Chromium, Iron-Chromium-Nickel and Related Alloys, with jurisdiction over all matters pertaining to those iron base alloys termed "stainless" or "rustless," whose primary characteristic is resistance to corrosive attack and elevated temperatures, or both, recommended for immediate adoption certain revisions in the standard specifications for corrosion-resisting chromium-steel sheet, strip and plate, these revisions having to do primarily with the maximum manganese and silicon content. At the same session considering so-called stainless steels, a joint paper on the Effect of the Addition of Bismuth on the Machining of Stainless Steels was presented. This paper pointed out that the addition of small amounts of bismuth (0.1 to 0.5 per cent) to the corrosion-resistant stainless alloys, results in a remarkable and useful increase in their machinability, with no detriment to, and, in some cases, an improvement in their corrosion resistance.

Relative to its work, the Committee on Cast Iron, among other things, proposed elevation to standard of its present tentative standard for cast-iron, pit-cast pipe for water and other liquids, and pointed out that it is giving consideration to revision of the standard specifications for cast iron locomotive cylinders. The present specifications for locomotive cylinders, it said, are obsolete and will be either completely revised or withdrawn.

The Committee on Corrosion of Iron and Steel offered for adoption as standard two tentative specifications for zinc-coated steel wire strand (galvanized and extra galvanized, and Class B and Class C coatings); presented detailed observations on the field tests it is conducting on wire; and reported briefly on the various exposure tests being conducted under its direction.

Under the subject of non-ferrous metals and alloys, the data presented of most interest to the railways were included in a report on Copper and Copper-Alloy Wires for Electrical Conductors, and in a paper on Finishes for Aluminum Die Castings, the latter including detailed reference to methods for the proper and safe cleaning of these castings. The Committee on Light Metals and Alloys, Cast and Wrought, proposed a number of changes in its specifications relative to alloy composition and tolerances, and presented as information data relative to a new sand casting alloy developing good strength without the necessity of heat treatment.

### Cement, Concrete and Mortar

Along with metals and metal products, cement, concrete and related materials received a large amount of attention. Of particular interest to large users of cement was the elevation to standard, with minor revisions, of the tentative specifications adopted last year covering five types of portland cement, these specifications replacing the society's previous standard specifications for portland cement and for high-early-strength portland cement. Of interest also are new tentative specifications offered for mortar for reinforced brick masonry, and, in view of the increasing use of glass blocks in certain types of railway structures, the announcement by the Committee on Mortar for Masonry Units, that it has prepared for informa-

tion proposed specifications for mortar for laying up these blocks.

The report of the Committee on Concrete and Concrete Aggregates had to do largely with tentative revisions of standards, the most important of which were embodied in new proposed tentative specifications for ready-mixed concrete; the new specifications having been prepared to recognize developments which have taken place since the adoption of the original standard specifications. No new specifications were proposed by the Committee on Concrete Pipe, although it recommended for adoption as standard tentative specifications approved during the year for reinforced concrete culvert pipe, which recommendation was approved. Other features of special interest in the program having to do with concrete and allied subjects were papers on A Device for Studying the Workability of Concrete; on The Significance of Tests for Size, Shape, Surface Texture and Grading of Aggregates; on The Significance of Permeability and Absorption of Concrete; and on Density and Unit Weight of Concrete.

### Many Other Subjects Considered

Among other subjects of interest to the railways which were given consideration at the meeting were fuel, bituminous waterproofing and roofing materials, thermal insulating materials, water for industrial uses, soils for engineering purposes and timber. Still other subjects presented, but of somewhat indirect interest to the railways, were those having to do with paint and other protective coatings, petroleum products and lubricants, and electrical insulating materials. Under the subject of waterproofing and roofing materials, the committee handling this subject proposed revisions in six of the society's standards; the elevation to standard of nine tentative standards; and the adoption as standard of tentative revisions in one standard. Among the specifications affected in these recommendations are the following:

#### Revisions of Tentative Standards

- Asphalt Roofing Surfaced with Powdered Talc or Mica
- Asphalt Shingles Surfaced with Coarse Mineral Granules
- Asphalt-Saturated Roofing Felt for Use in Waterproofing and in Constructing Built-Up Roofs
- Asphalt Roofing Surfaced with Fine Mineral Granules
- Asphalt Roofing Surfaced with Coarse Mineral Granules
- Asphalt Cap Sheet Surfaced with Coarse Mineral Granules

#### Adoption of Tentative Standards as Standard

- Asphalt for Use in Constructing Built-Up Roof Coverings
- Coal-Tar Pitch for Roofing, Dampproofing and Waterproofing
- Bituminous Grout for Use in Waterproofing Above Ground Level
- Bituminous Grout for Use in Waterproofing Below Ground Level
- Primer for Use with Asphalt in Dampproofing and Waterproofing
- Creosote for Priming Coat with Coal-Tar Pitch in Dampproofing and Waterproofing
- Asphalt Mastic for Use in Waterproofing (Asphalt Cement, Mineral Filler, Mineral Aggregate)
- Test for Coarse Particles in Mixtures of Asphalt and Mineral
- Testing Bituminous Mastics, Grouts and Like Mixtures

#### Adoption as Standard of Revisions of Standard

- Coal-Tar Saturated Roofing Felt for Use in Waterproofing and in Constructing Built-Up Roofs

The report of the Committee on Water was largely a routine review of the activities of the several subcommittees handling this subject, but it proposed the elevation of three tentative standards relating to the sampling, reporting analyses of and determining the hydroxide ion in industrial water, and was supplemented by a report of the Joint Research Committee on Boiler Feed Water Studies and a symposium on the Problems and Practices

in Determining Steam Purity by Conductivity Methods. The most interesting features of the report of the Committee on Soils for Engineering Purposes were a long series of proposed definitions of terms, with units and symbols, relating to soil mechanics, and a proposed method of test for compaction and soil density.

The Committee on Thermal Insulating Materials, charged with the consideration of all forms of thermal insulating materials, except insulation refractories, made its first formal report to the society this year. In it, it offered five tentative specifications for tests relative to block and blanket-types of insulation and insulating cements, as well as certain tentative definitions relative to insulating materials.

In the session devoted to timber and related materials, the most important action of the Committee on Timber was a recommendation for adoption as standard of the society's tentative standard for methods of test for tar acids in creosote and creosote-coal-tar solutions, the committee pointing out that this specification has already been adopted by the American Wood-Preservers' Association. This recommendation was approved. At the same session, certain revisions in the society's specifications for fire tests of building construction and materials were approved, and a new tentative standard test for the fire-retardant properties of wood was adopted.

Of interest also at this session was a paper on Tests of Glued Laminated Wood Beams Impregnated with Creosote, which pointed out that, for all practical purposes, glued and treated laminated beams, when properly seasoned, have the same strength as either plain beams or glued untreated beams. In this connection, it was pointed out that a full-size glued laminated wood beam may be made up of a number of smaller pieces with a greater number of the natural defects eliminated, than is possible with a solid beam of the same size.

## Priorities to Date

(Continued from page 13)

make application for priorities in connection with each order or contract placed for material or where a percentage of materials must be obtained from different sources.

In this case, the user must also make an application for a blanket rating and if the blanket rating is allowed, it is issued only after the applicant has agreed to various terms, including the keeping of records of all persons to whom the priorities ratings have been extended, also the quality and kinds of material involved, together with records of stock on hand and periodic reports to the priorities division of all details in connection with the transaction.

## Prospects

Whether railroads can succeed in obtaining ratings for other materials than for freight cars now undergoing repair and construction is, of course, conjectural. The details necessary up to the present time to obtain priorities for any materials not obtained by strictly military forces is a deterrent to applications for preference ratings on individual orders and the entire priority situation becomes more complicated as new controls are imposed on the production of materials and as increasing shortages in materials vital to national defense occur. It is not to be overlooked, moreover, that the recent blanket rating in favor of railroads extended only to freight cars, and not to locomotives or other railway materials and it is emphasized that railway material and equipment is only susceptible to priority ratings when its prompt delivery can be shown to be essential to the maintenance and operations of those facilities and services of the railroads which are so intricately interwoven with the national defense program as to be considered essential to the defense program.

The co-operative attitude of E. R. Stettinius, Jr., director of priorities division of OPM and of Leon Henderson, administrator of the office of price administration and civilian supply OEM, toward the supply problems of the railroads has been a source of encouragement to the railroads, which is greatly strengthened by the representation which the railroads have in the national defense councils in the person of Ralph Budd, commissioner of transportation, office of emergency management, who was understood to have been chiefly instrumental in bringing the freight car situation to the attention of the government.

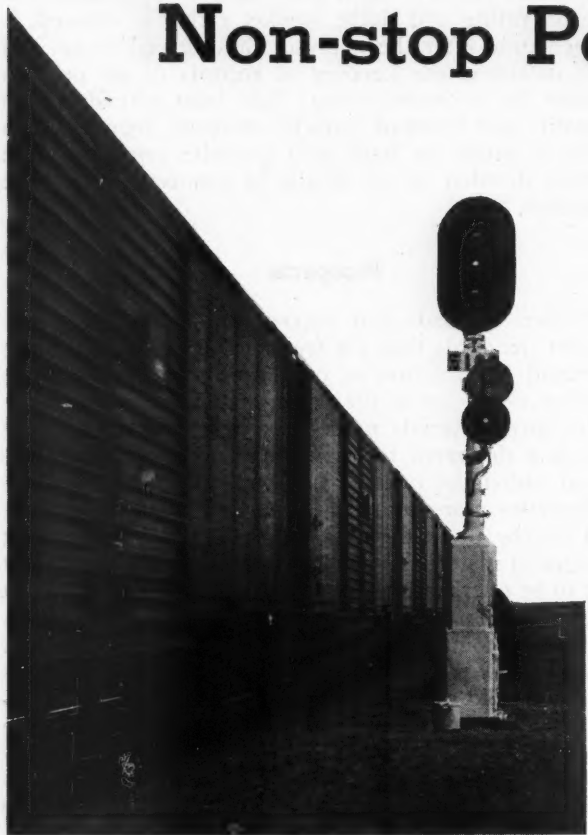
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The New and the Old in Trans-Mississippi Railroadings: Left: the New Bridge at Baton Rouge, La., Over Which the K.C.S.-L.&A. Trains Now Operate, Saving Several Hours As Compared with (Right) the Old Car Ferry Method



# Non-stop Permissive Signals On the Union Pacific



Signals on ascending grade permit elimination of train stops at what were formerly Stop - and - Proceed signals

**F**ROM Cheyenne, Wyo., westward for about 32 miles the double-track main line of the Union Pacific ascends the eastern slope of the Rocky Mountains, rising from an elevation of about 6,000 ft. at Cheyenne to 8,000 ft. at the summit of Sherman hill, about four miles west of Buford. Throughout the 28 miles from Cheyenne to Buford, the grade varies from 1.24 per cent to a maximum of 1.55 per cent.

Helper locomotives are required on all westbound tonnage trains between Cheyenne and Buford, at which latter point the helpers are cut off, turned on a wye, and return to Cheyenne on the eastward track, thus increasing the number of movements to be handled on that track. The traffic in this territory includes 8 passenger trains in each direction every day, in addition to such trains as the San Francisco Streamliner and the Los Angeles Streamliner, which are operated nine times each direction every month, and the Forty-Niner which is operated five times in each direction.

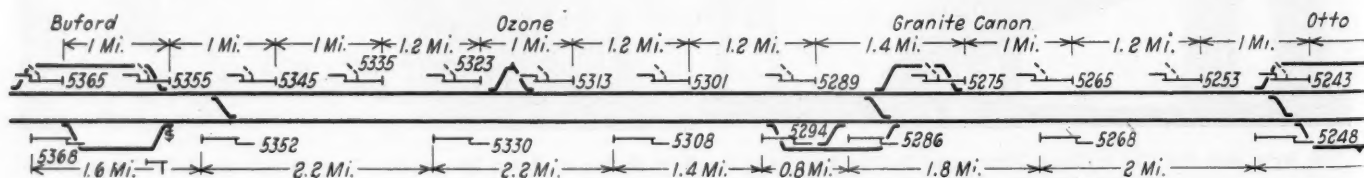
From 10 to 15 or more freight trains are operated in each direction daily.

The semaphore signals which had been in service on this territory since 1905, have been replaced with color-light signals, and the new signals were located as required by modern train operation and braking distances. The previous semaphore signals were spaced for blocks ranging from 1 mile to 1.5 miles in length. When installing the new color-light signals, they were spaced as shown

on the accompanying plan, to provide shorter blocks on the ascending grades, as compared with longer blocks on the descending grades.

When trains are ascending the grade they cannot attain high speeds, and, therefore, more time is required for a given mileage. For this reason, the signals are located so that the spacing between following trains can be reduced, thereby increasing the train capacity. After passing the crest of the grade, trains increase speed, and thus lengthen the spacing between trains to normal distance. When eastbound trains are descending the grade, they operate at the maximum authorized speed, and, therefore, cover a given mileage in less time than on the ascending grade. For this reason, adequate track capacity is available with longer blocks on the descending grade.

Braking distances of trains, also, are a factor in determining the length of automatic blocks. As applied on track, which for practical considerations is level and tangent, the present practice on the Union Pacific is to space signals 6,000 to 8,000 ft. apart. On ascending grades, this distance can be shortened, and on descending grades it is lengthened, in proportion to the effect of the grades and curves on braking distances. In the 28 miles between Cheyenne and Buford, 22 automatic signals are provided on the westward track, as compared with 11 on the eastward track. The signals for each track were located independently of those for the other



Plan of the Automatic Signaling Between Cheyenne and Buford Using 11 Eastbound Signals



track, so that there are very few double locations and these are toward the eastern end of the territory.

The signals on the eastward track down the grade are of the conventional color-light type, which display the usual aspect, red, yellow, or green, depending on the track occupancy of the two blocks, in accordance with standard practice for three-aspect, two-block signaling. A decision was made, however, to use non-stop permissive signals on the westward track on the ascending grade. Each of these new signals has a conventional color-light head with three lamp units in a vertical row, although no lamp is provided in the lower red unit, so that it is never used. The top unit displays the single-lamp green aspect when two blocks ahead are unoccupied, in the usual manner. When the immediate block controlled by the signal is unoccupied but the second block is occupied, the signal displays a single yellow lamp aspect as the standard Approach indication. When the immediate block controlled by the signal is occupied, the yellow lamp in the signal head is lighted, and also a yellow lamp in the auxiliary unit, this extra unit being mounted on a cast-iron bracket attached to the mast. The center of this normally-extinguished yellow marker unit is 6 ft. below and 8 in. to the right of the center of the lower lamp unit in the main signal head.

In order to designate these non-stop permissive signals as such, a circular metal disk, with the letter P painted back on a yellow background, is mounted above the special unit. This disk is 20 in. in diameter. Each automatic signal is equipped with a number plate, and, as seen from the cab of a locomotive, the view to the number plate is not obstructed by the P marker.

#### Non-Stop Aspect

The indication which applies with reference to this yellow-over-yellow aspect, is "Proceed at restricted speed," the same as A. A. R. Code Rule 290, the application of which is, "At the entrance of normal speed, medium speed or slow speed route or block, to permit trains to proceed prepared to stop short of train, obstruction or anything that may require the speed of the train to be reduced." This indication applies to all trains, passenger as well as freight. The train operation and speed limits which apply with reference to these new non-stop permissive signal aspects are exactly the same as have been applied previously on the Union Pacific at Stop-and-Proceed permissive automatic block signals which are equipped with a "Grade" marker. When such a signal of the semaphore type displays an arm in the horizontal position and/or a red light, together with a "Grade" marker, the combined aspect is, in effect, equivalent to that of Code Rule 290, in that passenger trains as well as freight trains are authorized to pass without stopping, and to proceed at restricted speed.

The new signals, using the yellow-over-yellow aspect, obviate the undesirable practice of enginemen passing a red light without stopping, and, furthermore, this use of the yellow-over-yellow establishes a distinctive aspect with a specific meaning, thereby avoiding confusion. This new practice has been adopted for future signal rehabilita-

tion programs on the Union Pacific in which these non-stop permissive signals are to be used on ascending grades of 0.5 per cent or more, and are to apply to all trains.

In addition to the 28 miles of double track between Cheyenne and Buford, where the signaling was reconstructed, a similar program has recently been completed on other sections of the double-track main line, as, for example, on 92 miles between Alfalfa Center, Neb., and

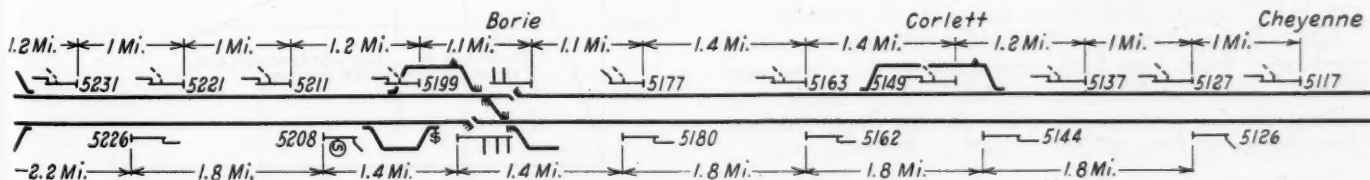


"City of San Francisco" Passing One of Westward Non-Stop Signals

Silver Creek, as well as on 25 miles between Rock Springs, Wyo., and Point of Rocks, and 49 miles between Lookout, Wyo., and Hanna.

When using the aspects described above, special means are provided so that if the filament in any lamp becomes so broken that it is not lighted when it should be, the remaining lamps will not display a less restrictive aspect. This result is accomplished by special circuits including "light-out" relays. If the filament in the green lamp fails, the yellow lamp is lighted automatically, instead of the green. This obviates unnecessary train stops if the green lamp fails. If the filament in either of the two yellow lamps fails, and a yellow-over-yellow aspect is intended, then both yellow lamps are extinguished. With no lamp displayed on a signal, that signal is accepted as displaying its most restrictive aspect.

This signal reconstruction between Cheyenne and Buford, as well as programs of the same character that are now under way on other territories on this road, were planned and constructed by signal department forces under the direction of F. W. Pfleging, signal engineer. The major items of equipment, such as the new signals and new relays, were furnished by the Union Switch & Signal Company.



and 22 Westbound Signals, Westward Signals Being Equipped For the Non-Stop Aspect

# Freight Motive Power on the Norfolk & Western\*

Operating improvements in past 15 years demonstrate capacity, reliability, and economy of modern locomotives

By C. E. Pond

Assistant to Superintendent Motive Power, Norfolk & Western, Roanoke, Va.

**T**HE Norfolk & Western extends from Norfolk, Va., on the east across the Blue Ridge and Allegheny mountain ranges to Columbus and Cincinnati, Ohio, on the west; from Hagerstown, Md., on the north to Winston-Salem and Durham, N. C., on the south. The transporting of coal is the principal source of revenue. During the year 1940 it handled 45,000,000 net tons of revenue coal. Of this amount 33 per cent was handled east to the tidewater and 67 per cent was handled west to Columbus and Cincinnati.

It may be thought that we have an ideal operating condition, for the coal originates in the mountains about midway between Norfolk and Columbus, and the road may be pictured as having a gradually descending grade in both directions. Such is not the case. The eastbound traffic must be lifted a total of 2,574 ft. over three mountain ranges, including four grades requiring pusher service. Main-line curvature as sharp as 12 deg. and grades as heavy as two per cent are encountered. This demand for power rather than speed has a marked influence on the locomotive design.

In comparing the development of the modern freight locomotive, the year 1925 will be compared with 1940. I take those two years purposely because the gross earnings were almost identical—\$105,200,000—and the comparisons will indicate the improvements in locomotives and the manner in which we use them. One of the tables is a comparison of the more important data pertaining to the improvement in operating efficiency which has taken place in the last 15 years. In 1925 we handled a business of 27 billion tons with 653 road locomotives, while in 1940 we handled 30 billion tons with only 347 road locomotives. In 1925 gross ton-miles per train-hour was 32,212, and in 1940 it increased to 57,984, an increase of 80 per cent.

During this period a substantial improvement was made in the pounds of coal consumed per 1,000 gross ton-miles. It decreased from 147 in 1925 to 89 in 1940—an improvement of 39 per cent.

There was also a striking improvement in the dependability of locomotives during this period. In 1925 we had a total of 388 failures charged to freight locomotives. In 1940 this figure had decreased to 74—an improvement of 81 per cent. Likewise, the improvement in miles per freight failure more than tripled. In 1925 it was 34,892 and in 1940 it had increased to 114,970.

These improvements in locomotive efficiency and dependability have also been accompanied by a decrease in the cost of maintenance. The cost of repairs per million tractive-force pound-miles for all steam locomotives decreased from \$7.35 in 1925 to \$4.99 in 1940—a

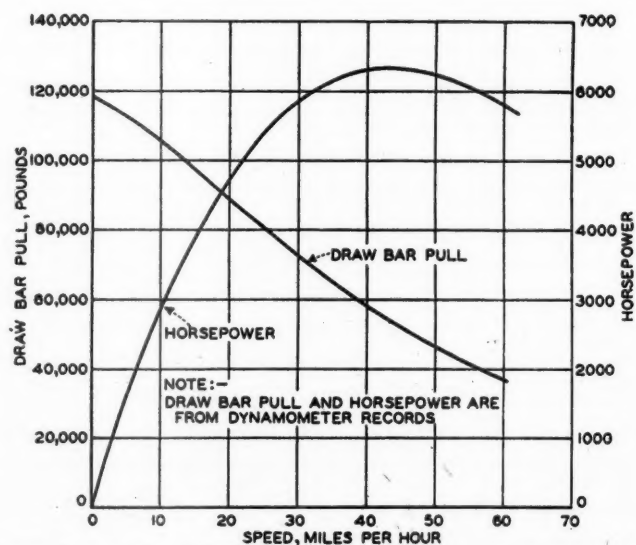
reduction of 32 per cent—and, in the case of the Y-6 locomotives, which will be covered in detail later, the cost per million tractive-force pound-miles is \$1.77, based on a report of the cost of maintenance for a period of 56 months.

## Modern Freight Locomotives Make Improvements Possible

How were these improvements made possible? By the use of modern freight locomotives! By designing locomotives that would pull more, run faster, have more availability and dependability, and at the same time locomotives that would burn less coal and have less money spent for maintenance. That is a large order, but statistics prove that it is entirely possible.

The Norfolk & Western has constructed 35 modern Mallet articulated compound locomotives, 2-8-8-2 type, known as class Y-6, at its main shops at Roanoke, Va. This locomotive develops a tractive force of 126,838 lb. in compound and 152,206 lb. in single-expansion position.

The foundation unit for each locomotive is a cast-steel bed with the cylinders and back cylinder heads cast integral with the frames. The back or high-pressure frame unit is 32 ft. 4 $\frac{3}{8}$  in. long and weighs 49,000 lb. The front frame unit is 32 ft. 10 in. long and weighs 57,500 lb. An extension on the rear end of the front frame unit fits into a pocket in the high-pressure cylinder saddle and the two sections are pivoted together by means of a 7-in. vertical pin. Weight on the front unit is



Horsepower and Drawbar Pull-Speed Curves of N. & W. Single-Expansion Articulated Freight and Passenger Locomotives

\* This is an abstract of a paper which is one of six forming a symposium on railway motive power which were presented at the semi-annual meeting of the American Society of Mechanical Engineers at Kansas City, Mo., on June 17, 1941. Abstracts of other papers will appear in later issues.



transmitted through one boiler slide bearing located between the second and third pairs of drivers.

The engine-truck, driving, and trailer wheels are fitted with roller bearings. The engine- and trailing-truck bearings are the conventional outboard type. The driving-wheel bearings are a special design known as the floating-axle type. The outer race of the bearing fits into a pocket counterbored in the wheel center and the inner race fits on an axle tube which encompasses the conventional axles. Driving boxes clamp around the axle tubes and ride in the frame pedestal openings. The weight from the spring rigging is transferred through the driving boxes and axle tube, directly to the driving wheels.

The boilers are the radial stay type and are designed for 300 lb. per sq. in. operating pressure. A low-water alarm is installed as a safety precaution to prevent a boiler explosion.

The driving wheels are 57 in. in diameter, the main wheels being the third pair in both units. The main and side rods, driving and truck axles, crank pins, piston rods, guides, and combination levers are made of medium carbon steel and are given a double normalizing and drawing heat-treatment to develop the best physical properties.

There are four mechanical lubricators on each locomotive. Two are for valve oil and two for engine oil. Valve oil is used to lubricate parts subjected to high steam temperatures, such as valves, pistons, slip joints, air pumps, and stokers. Engine oil is used for lubrication of shoe and wedge faces, guides, boiler slide bearing, hinge pin, and spring and brake rigging. The total number of points lubricated by these four lubricators is 210.

The tender is built on a one-piece cast-steel water-bottom frame which forms the bottom of the tank. Two six-wheel trucks with 33-in. heat-treated wrought-steel wheels and 6½-in. by 12-in. journals are used.

Some of the special features include stoker, power reverse gear, feed-water heater, automatic cab signals, speedometer, multiple-valve front-end throttle, intercepting valve, Type A superheater, and roller-bearing valve gear.

One of the best indications of the dependability of a locomotive is the turning time, provided business is heavy enough to create a demand for power. The class Y-6 locomotive operates out of an enginehouse in Roanoke (Shaffers Crossing) in pool service. The locomotives are actually dispatched in five directions, but because the locomotives dispatched to Bristol and Bluefield run over the same tracks for 40 miles, they are combined and shown on the report as dispatched west. The total dispatchments for the month of December, 1940, and the average motive-power turning time for the class Y-6 locomotives are as follows:

	East	West	North	South	Total
Number of Y-6 locomotives dispatched.....	221	308	109	103	741
Avg. motive-power turning time, hr.-min.	3-48	3-39	4-26	3-23	3-47

The locomotives that operate north of Roanoke are in train-control territory. There are 18 of the Y-6 locomotives equipped with train control and they are operated on this district. No special group of engines is assigned to the Shenandoah division (north) and the engines operate in a pool. The only requirement is that the locomotives dispatched north must be equipped with train control.

When you consider there are only 35 Class Y-6 locomotives, the dispatchment of 741 locomotives per month with an average turning time of 3 hr. 47 min. is good performance. It must be borne in mind that Roanoke

is the maintenance point for these locomotives and that the turning time at the outlying terminals is substantially lower. The locomotives dispatched north operate a total of 480 miles from the time they are dispatched from Roanoke until returned to that point without any substantial maintenance work. This turning time at Shaffers Crossing represents regular practice for turning and maintaining the class Y-6 locomotives and no attempt was made to select a month having unusually good performance.

It may be thought that the class Y-6 locomotive is good for drag service only. Such is not the case. It is

Comparison of Locomotive Performance, Norfolk & Western, 1925 and 1940

	1925	1940	Change, per cent*
Gross earnings .....	\$105,218,991	\$105,228,621	-0.009
Net earnings .....	\$26,565,292	\$31,383,976	+18
Gross ton-miles (000), exclud. locomotive and tender .....	27,037,267	30,178,450	+12
Number of freight locomotives used .....	653	347	-47
Avg. tractive force of freight locomotives, lb. ....	60,653	88,947	+47
Gross ton-miles per freight-train mile (exclud. locomotive and tender) .....	2,613	3,805	+46
Avg. speed, train-miles per train-hour (freight) .....	12.3	15.4	+25
Gross ton-miles per train-hour (exclud. locomotive and tender) ..	32,212	57,984	+80
Pounds of coal per 1,000 gross ton-miles (includ. locomotive and tender) .....	147	89	-39
Number freight locomotive failures .....	388	74	-81
Miles per failure, freight .....	34,892	114,970	+230
Cost of locomotive repairs per million tractive-force pound-miles ..	\$7.35	\$4.99	-32

\* +Increase. -Decrease.

assigned both to fast and slow freight service and in good operating territory it attains top speeds of 45 to 50 m. p. h. with tonnage trains.

### Class A Locomotive Described

The Norfolk & Western has 10 single-expansion articulated locomotives of the 2-6-6-4 type, class A. The first has been in service since 1936. This locomotive with its tender weighs 474.3 tons in working order and develops a calculated tractive force of 104,500 lb. The water-bottom tender has a capacity of 22,000 gallons of water and 26 tons of coal. The locomotive can negotiate curves of 20 deg. at slow speeds. Like the Y-6 locomotive, it is equipped with cast-steel bed frames, roller bearings on the engine truck, drivers, trailing truck, and tender, extended mechanical lubrication, lubricating a total of 227 points, multiple-valve front-end throttle, Type E superheater, feedwater heater, and roller-bearing valve gears.

The maximum sustained horsepower at the drawbar as determined by dynamometer records is 6,300 at 45 m. p. h. The maximum rate of evaporation recorded is 116,055 lb. of water per hr., or approximately 14,000 gal. per hr. The maximum sustained combustion rate is 7 tons per hour. This is at a rate of 115 lb. of coal per sq. ft. of grate area per hour. Tractive-force and horsepower curves are shown in the drawing.

This locomotive handled a 7,500-ton train on level tangent track at 64 m. p. h. as determined by dynamometer tests. These locomotives are assigned both to fast-freight and heavy passenger service and they attain top speeds of 60 to 65 m. p. h. in regular service in high-speed territory with tonnage trains. They average 8,540 miles per month.

The performance of both the classes Y-6 and A locomotives has been so successful that we are now modernizing a group of 2-8-8-2 compound Mallet articulated

locomotives, class Y-5, which are only 10 years old. The modernization consists of applying cast-steel bed frames, installing roller bearings on the engine-truck, driving, and trailing-truck wheels, and applying mechanical lubrication. There are 19 locomotives in this group which will be modernized.

Discussion

Frank E. Russell, mechanical engineer, Southern Pacific, noted that the experience on the Norfolk & Western parallels that of the Pacific system of the Southern Pacific in that repair costs are much lower on modern power. The trend in repair costs in freight service is shown by the following table:

	Average tractive force	Cost of repairs per freight locomotive mile, cents	Cost of repairs per 1,000 lb. tractive force miles, cents
1920.....	36,340	44.36	1.22
1925.....	40,800	31.14	.76
1930.....	45,800	31.17	.68
1940.....	53,660	33.75	.63

There was a reduction of almost 50 per cent in the cost of repairs per 1,000 lb. tractive force miles in 20

Comparison of Weight and Dimensions of the N. & W. 2-8-8-2 and 2-6-6-4 Type Locomotives

Type of locomotive	2-8-8-2	2-6-6-4
Road class	Y-6	A
Service	Freight	Fast freight and heavy passenger
Rated tractive force, per cent, lb. ....	152,206 Simple 126,838 Compound	104,500
Weights, lb.:		
Total engine .....	582,900	570,000
Tender .....	378,600	378,600
Locomotive bed castings (2) .....	106,500	110,925
Wheel bases, ft.-in.:		
Rigid .....	15-9	12-4
Engine and tender, total .....	103-8¼	108-7¼
Overall length, engine and tender, ft.-in. ....	114-10½	120-7½
Driving wheels, diameter outside tires, in. ....	57	70
Cylinders, number, diameter and stroke, in. ....	Front—(2) 39 x 32 Rear—(2) 25 x 32	(4) 24 x 30
Boiler:		
Steam pressure, lb. ....	300	275
Maximum diameter, inside, in. ....	102¼	104
Grate area, sq. ft. ....	106.2	122
Heating surfaces, sq. ft.:		
Evaporative, total .....	5,656	6,650
Superheater .....	1,775	2,703
Combined evap. and superheat....	7,431	9,353
Tender:		
Water capacity, gal. ....	22,000	22,000
Fuel capacity, tons .....	26	26
Trucks .....	6-wheel	6-wheel
Wheels, in. ....	33	33
Journals, in. ....	6½ x 12	6½ x 12

years notwithstanding the increase in size of power and the addition of fuel and labor-saving devices, such as superheaters, feedwater heaters, boosters, power reverse gears, etc. Furthermore, at the close of the year 1940, the Southern Pacific had 175 articulated locomotives in service.

To illustrate what has been accomplished in operating over the Sierra Nevada mountains in California, Mr. Russell stated that the total climb is 6,722 ft. in 84.4 miles eastbound with a 2.42 per cent ruling grade. The total climb westbound is 2,591 ft. in 53.8 miles with a 1.91 per cent ruling grade. On the eastbound grade, there are 47.8 miles of curved track, or 56 per cent of the mileage. On this division, the preponderance of traffic is eastbound against the heavier grade. Winter weather conditions in the high altitudes is very severe and it is necessary to

maintain snow sheds and rotary snow plows during the winter snows, with the snow fall at the summit frequently reaching a depth of 20 ft.

The improvement in the locomotive performance over this extremely difficult territory is illustrated by a comparison of the performance in 1927, which was the first full year's operation after the double track was completed, with the year 1940.

	1927	1940	Increase, per cent	Decrease, per cent
Train miles .....	842,961	629,367	....	25.34
Locomotive miles .....	1,640,191	1,154,451	....	29.62
Gross ton miles, thousands..	1,723,275	1,718,218	....	0.29
Gross train load, tons .....	2,044	2,730	33.56	....
Gross loco. load, tons .....	1,060	1,488	40.38	....
Speed of trains, m.p.h. ....	10.3	14.8	43.70	....
Gross ton miles per train hour	21,110	40,305	90.93	....

Data on fuel consumption for operation over the Sierra Nevada mountains are not available, Mr. Russell continued, but for the system as a whole the average pounds of fuel per 1,000 gross ton-miles was 133 in 1925, 124 in 1927 and 97.7 in 1940, a reduction of 6.8 per cent between the years 1925 and 1927 and a further reduction of 21 per cent from 1927 to 1940.

The locomotives in general use over these mountains are of the 4-8-8-2 type with a maximum tractive force of 124,300 lb. They are counter-balanced for a speed of 84 m. p. h. and at diameter speed, 63½ m. p. h., the dynamic augment due to overbalance is only 9,110 lb. or 27½ per cent of the static wheel load which is a great improvement over locomotives of 10 or 15 years ago and contributes much to the reduction in the cost of repairs. Greater utilization of these locomotives is possible because they are designed for both passenger and freight service.

Because of the improvement in the capacity, fuel economy and cost of repairs of steam locomotives in freight service during the past 20 years, it is Mr. Russell's opinion that these locomotives are at the present time and will continue to be the most economical type of power for freight service.

T. V. Buckwalter, vice-president, Timken Roller Bearing Company, mentioned the fact that the Norfolk & Western had more steam locomotives equipped with roller bearings on drivers than any other road. As these locomotives are nearly all articulated, the number of driving-wheel journals with roller bearings exceeds the nearest competitor by 50 per cent. He emphasized the fact that the Class A locomotives have developed 6,300 drawbar horsepower, which rates this locomotive among the most powerful in service regardless of type, and that they were built at a cost well under \$160,000.

\* \* \*



The Railway Express Agency Hauls Out Several Carloads of Pre-Frozen Fish Daily From Cold Spring Harbor, N. J., on the Pennsylvania-Reading Seashore Lines



# NEWS

## Added Fares Pay For Fire Units

B. & M. to use 10 p. c. of extra fares to buy apparatus; plan to save gasoline

Ride the trains and you will contribute to the national welfare in two ways: (1) save gasoline; (2) give added protection to your home towns from fire and bombs. So runs the gist of a plan for immediate voluntary gasoline saving placed before Boston (Mass.) commuters by the Boston & Maine in newspaper advertisements on June 30.

In a five-point plan for voluntary saving of gasoline by the thousands of workers living along its lines who are still using their automobiles to drive to and from their employment in Boston and elsewhere five or six days each week, the road proposes:

(1) "That instead of using gasoline to go to and from their employment in Boston and elsewhere, the public turn to our trains for commuting service.

(2) "That the gasoline thus saved be dedicated to New England's security.

(3) "That 10 per cent of the increase in our commutation revenue during the next six months (July 1 to December 31) be devoted to the preparation of train units to help combat fire and bomb damage in northern New England in the event of military activity.

(4) "That no one become an alarmist—but that each become an earnest realist.

(5) "That everyone recognize the immediate need of conserving gasoline and through an appreciation of their responsibilities turn to trains for commuting service."

"The Boston & Maine," its announcement stated, "has already started construction of the first of the fire and bomb combatant car units and will construct as many more for placement at strategic points in northern New England as an auxiliary aid to city and town fire departments as 10 per cent (which is considered to be the railroad's net) of its increased revenues from the voluntary gasoline savers will permit. Each of these cars would make 24 powerful hose lines available as an auxiliary to local fire departments." The road's plan was worked out after its Fire Protection & Safety department had studied reports of similar successful efforts by railroads in Great Britain and after consultation with representative fire department officials.

Stating frankly that the plan is proposed primarily in an effort to increase its oppor-

tunity to carry commutation passengers, the B. & M. declared that it has the men and the facilities to handle any and all of the present automobile driving commuters; that "ten years ago we handled twice as many Boston commuters as we do today, and we are now operating a better railroad than at that time."

The fire and bomb combatant railroad car which the road is now constructing will contain six portable pumps of varying capacity with a total capacity of from 2,000 to 3,000 gal. per min.; sufficient hose to provide from each pump four separate streams of a capacity which has been found in England to be particularly effective in fire bomb defense; a supply of shovels (for use in covering thermite bombs which must be handled by burying with sand and earth); hooks, axes and other fire handling tools; steel helmets for the crew; a supply of snuffers and especially designed tongs for removing unexploded bombs; gas masks, etc.

Each of the six pump units weighs about 400 lb. and an especially designed skid will be part of the car equipment so that two or three men can easily unload them and once on the ground they can be dragged or hauled by hand or by automobile, to any desired point. Mobility has proved one of the greatest assets of such railroad fire and pump cars in England and the Boston & Maine's cars will be equipped with a type of portable pump operated by gasoline which can draw water from a pond, well, or any available water supply, fresh or salt.

### Foley of the P. R. R. to Serve O. P. M.

John Foley, forester for the Pennsylvania Railroad, has been loaned to the Office of Production Management for service at Washington during the emergency in connection with the production, procurement and preservative treatment of forest products. Mr. Foley was associate manager of the forest products sections in the United States Railroad Administration during the First World War.

### Henderson Is New R. F. C. Chairman

Charles B. Henderson has been elected chairman of the Reconstruction Finance Corporation to succeed Emil Schram, who was recently named president of the New York Stock Exchange, according to an announcement by Jesse Jones, Federal Loan Administrator. Mr. Henderson, a former United States Senator from Nevada, has been a member of the board of directors of the R. F. C. for the past several years.

## 5 Months N. O. I. Was \$342,702,129

4.03 percent return compares with 2.34 percent in same period last year

Class I railroads of the United States in the first five months of 1941 had earnings [net railway operating income] of \$342,702,129, before interest and rentals, according to the Bureau of Railway Economics of the Association of American Railroads. This was at the annual rate of return of 4.03 per cent on their property investment. The corresponding earnings in the first five months of 1940 were \$197,432,327 or 2.34 per cent, and in the same period in 1930 they were \$301,732,780 or 3.51 per cent.

Class I railroads in May had earnings, before interest and rentals, of \$88,630,030 or 4.59 per cent, compared with \$47,408,236 or 2.48 per cent in May, 1940, and \$67,790,336 or 3.41 per cent in May, 1930.

Gross operating revenues in the five months totaled \$1,969,401,096, compared with \$1,651,427,510 in the same period in 1940, and \$2,218,877,128 in 1930, an increase of 19.3 per cent in 1941 above 1940, but 11.2 per cent below 1930. Operating expenses amounted to \$1,379,416,464, compared with \$1,245,342,976 in the corresponding period in 1940, and \$1,717,945,937 in the same period in 1930—10.8 per cent above the former but 19.7 per cent below the like period in 1930.

Class I roads in the five months paid \$193,609,754 in taxes, compared with \$154,845,177 in the same period in 1940, and \$146,785,356 in the same period in 1930. For May alone, the tax bill amounted to \$45,784,421, an increase of \$13,181,871 or 40.4 per cent above May, 1940. Eleven Class I roads failed to earn expenses and taxes in the five months, of which six were in the Eastern district, one in the Southern district, and four in the Western district.

Gross for May totaled \$442,285,876 compared with \$343,494,649 in May, 1940, and \$457,254,022 in May, 1930. Operating expenses totaled \$296,590,475 compared with \$252,854,916 in the same month in 1940, and \$347,604,651 in May, 1930.

Class I roads in the Eastern district had earnings in the five months of \$55,787,366, before interest and rentals, a return of 3.87 per cent. In the first five months of 1940, their corresponding earnings were \$127,064,490 or 2.79 per cent, and in the same period in 1930 they were \$177,734,373 or 4.15 per cent. Operating revenues of the Class I roads in the Eastern district in the

five months totaled \$990,318,192, an increase of 18 per cent compared with the same period in 1940, but a decrease of 11.8 per cent compared with the first five months in 1930. Operating expenses totaled \$682,434,237, an increase of 12.4 per cent above 1940, but a decrease of 19.8 per cent under 1930. The May net in the Eastern district was \$47,586,541, compared with \$30,326,026

Chapin Plummer in letters to civic and railroad officers. The liaison committee would include officers of the United States roads, Railway Express Agency, American-owned Cuban and Puerto Rican railroad systems and the United Fruit Company.

This committee would meet with the South American Railway Congress—a per-

an officer of the Association of American Railroads that the city, which has a population of 7,000, refuses to receive freight except by rail.

He writes: "Since we receive taxes from the railroad company and receive nothing from the trucks except the wearing out of our streets and the congesting of our traffic, the commissioners of Eureka Springs felt that we should require goods purchased by the city to be delivered here by rail. We have a rubber stamp which we place on all orders sent out by the city: 'This order will not be accepted unless the goods arrive in Eureka Springs by railroad.'"

### U. S. A. Conscripts Seatrain

The United States Maritime Commission has acquired the "Seatrain New York" and "Seatrain Havana" from Seatrain Lines, Inc., of New York, presumably for use in the shipping pool to aid the democracies. These vessels, which are designed to carry loaded freight cars on an ocean voyage, have been in service between Hoboken, N. J., Havana, Cuba, and New Orleans, La. The company will re-shuffle its remaining three vessels to continue this run and the Hoboken-Texas City route, under drastically-reduced sailing schedules.

### "400" Diesels Complete 1,200,000 Miles

The Diesel-electric locomotives which haul the "400" of the Chicago & North Western between Chicago and Minneapolis, Minn., completed 1,200,000 miles of virtually uninterrupted service on July 1. During the 24 months that they have been in service they, with one exception, have not missed a single trip. This exception was one trip missed by one unit when it was held up for minor repairs. The locomotives were placed in operation on June 1 and 14, 1939 and since have been used on the "400" and the North Western Limited. On the "400" they operate on a schedule of 6¾ hr. for the 407 miles and on the North Western Limited on a schedule of 9¼ hr., with the result that, with the three hours in which they travel between the station and the yard at the terminals, they are in motion 19 hours out of 24 each day. On May 31, 1941, they had completed an official combined mileage of 1,144,799 miles.

### P. R. R. Veteran Fact-Giver Answers Some More

Edward Conlin, who has been answering questions at the information desk in Pennsylvania station, New York, ever since the building was opened in 1910, answered some more questions as guest of honor on the "True or False" quiz program over radio station WJZ and the blue network of the National Broadcasting Company on June 23. Appearing with him on the program were five men from various other information desks about New York, including Grand Central, the Airlines terminal, the New York City Information Center, the Waldorf-Astoria hotel, and the Ask Mr. Foster Travel Service. They competed against six New York City housewives. Mr. Conlin entered the service of the Pennsylvania in 1891 as a ticket collector at the 23rd street ferry. Hence he has completed a half century of service with the

### CLASS I RAILROADS—UNITED STATES

	Month of May		
	1941	1940	1930
Total operating revenues .....	\$442,285,876	\$343,494,649	\$457,254,022
Total operating expenses .....	296,590,475	252,854,916	347,604,651
Operating ratio—per cent .....	67.06	73.61	76.02
Taxes .....	45,784,421	32,602,550	30,532,352
Net railway operating income (Earnings before charges) .....	88,630,030	47,408,236	67,790,336
Rate of Return on property investment .....	4.59	2.48	3.41
Five Months Ended May 31			
Total operating revenues .....	\$1,969,401,096	\$1,651,427,510	\$2,218,877,128
Total operating expenses .....	1,379,416,464	1,245,342,976	1,717,945,937
Operating ratio—per cent .....	70.04	75.41	78.42
Taxes .....	193,609,754	154,845,177	146,785,356
Net railway operating income (Earnings before charges) .....	342,702,129	197,432,327	301,732,780
Rate of Return on property investment .....	4.03	2.34	3.51

in May, 1940, and \$43,275,323 in May, 1930.

Class I roads in the Southern district had earnings in the five months of \$55,787,366, before interest and rentals, which was at the annual rate of 4.12 per cent. In the same period in 1940, their corresponding earnings were \$29,828,894, a return of 2.20 per cent, and in the same 1930 period they were \$38,895,434 or 2.76 per cent. Gross for the five months in the Southern district totaled \$271,910,025, an increase of 20.4 per cent compared with the same period in 1940, but a decrease of 6.9 per cent compared with the same 1930 period. Operating expenses totaled \$183,739,460, an increase of 7.9 per cent above the same period in 1940, but a decrease of 19.8 per cent under 1930. Class I roads in the Southern district for May had earnings of \$11,572,705, before interest and rentals, compared with \$4,878,206 in May, 1940, and \$6,010,550 in May 1930.

Class I roads in the Western district in the five months had earnings of \$108,202,752, before interest and rentals, a return of 4.27 per cent. In the same period of 1940 their corresponding earnings were \$40,538,943, or a return of 1.61 per cent, and in 1930, they were \$85,102,973 or 2.92 per cent. Operating revenues in the Western district in the five months totaled \$707,172,879, an increase of 20.6 per cent above the same period in 1940, but a decrease of 12 per cent in 1930. Operating expenses totaled \$513,242,767, an increase of 9.7 per cent compared with the first five months in 1940, but a decrease of 19.5 per cent compared with the same period in 1930. For May alone, the Class I roads in the Western district had earnings of \$29,470,784, before interest and rentals, compared with \$12,204,004 in May, 1940, and \$18,504,463 in May, 1930.

### Urges Direct Co-operation Between U. S. and South American Roads

Creation of a committee of representative railroad executives in this country to maintain active relations with the South American Railway Congress and promulgation of a plan of through routing and rating arrangements were urged by Harry

manent organization with headquarters at Buenos Aires, Argentina—to work out arrangements whereby passengers, express and freight between interior points in the southern republics and interior points in the United States would be afforded through rates and joint representatives which would facilitate and simplify their dispatch. The author of the plan believes that such arrangements would not only provide "natural and normal means of dollar exchange acquirement by the Ibero-American Republics," but as well help systems of both north and south compete with motor transport in the interior and seaports.

### E. L. Henry Elected President North Western Veterans

E. L. Henry, superintendent of safety of the Chicago & North Western, was elected president of the Veterans' Association of that railroad at the association's annual convention at Chicago on June 24.

### N. Y. Central Installs Travel Bureau in New Quarters

The New York Central moved its travel bureau from the North gallery, Grand Central terminal, New York, to entirely new quarters off the main waiting room, on June 25. Appointments of the new headquarters include air conditioning and fluorescent lighting.

### War Department Buys Mart Building

The War Department has purchased the Mart building on Twelfth boulevard, St. Louis, Mo., from the Terminal Railroad Association of St. Louis for \$2,300,000, following a decision of the Surgeon General's office to make St. Louis the main medical supply depot for the War Department.

### City Fathers of Eureka Springs Join "Ship by Rail" Movement

The government of the City of Eureka Springs, Ark., refuses to truckle to the trucks. Major A. J. Russell has informed



railroad, and was presented with a gold 50-year service button during the broadcast.

### N. Y. Court Sustains Special Tax on Grade Crossing Elimination

When a railroad in New York State spends money to eliminate grade crossings it must in addition pay special franchise tax assessments on the new structures involved in the elimination, according to a decision recently handed down by the State Court of Appeals. This decision was in connection with the New York Central's large and extensive road re-location in the city of Syracuse. The road had contended that the new bridge structures were not assessable as property of the railroad.

### Mid-West Board Meeting

Shipper co-operation in organizing rail transportation for defense needs will occupy the major portion of the program of the meeting of the 'Mid-West Shippers' Advisory Board to be held at Milwaukee, Wis., on July 10. The objective of the board will be to bring about the loading of cars to full capacity, the prompt loading and unloading of cars, a six or seven-day week in industries which have been on a five-day schedule, and the building up of fuel supplies to prevent peak demands on transportation.

### A. C. L. Shop Forces Go On 48-Hr. Week

Shop forces of the Atlantic Coast Line were placed on a 48-hr. per week work basis effective the week of June 22. Prior to June 1, Shopmen had been working, with minor exceptions, 40 hr. a week. On that date the work-week was lengthened to 44 hr., which, to further facilitate the road's program of repairing and returning to service all freight cars when age and condition justifies, has been prolonged to 48 hr., thereby increasing output 20 per cent.

### Army Buys Midget Gasoline-Propelled Locomotives

"Midget locomotives, as easily operated as automobiles, yet able to pull trains of 15 loaded freight cars at a speed of 15 miles an hour, are being delivered to Army posts throughout the country," said a recent statement from the War Department.

Twenty-five of the locomotives already are working for the Army. Although the general plan is to use the midgets on standard gauge tracks, experimental tests at Fort Dix, N. J., "revealed they were adaptable to narrow gauge as well." There are many practical time-saving uses for the locomotive, according to Quartermaster Corps authorities.

### Great Northern Speeds Up St. Paul-Duluth Train

The Great Northern has cut the running time of its morning train between St. Paul, Minn. and Duluth 52 min. northbound and 41 min. southbound, has replaced steam locomotives with Diesel-electric and has added air-conditioned parlor cars to make it a completely air-conditioned train. Northbound, the schedule is 3 hr. 58 min.

### Moderate Optimism Re R. R. Capacity

CHICAGO, June 29.—American railroads expect to have 1,617 serviceable freight cars when the peak load of 1941 comes in October.—*From the Seattle Post-Intelligencer.*

Looks like that fellow Janeway must have put out another one of those studies of his.

for the 160 miles with departure from St. Paul at 8 a. m. instead of 9 a. m. and arrival at Duluth at 11:58 a. m. instead of 1:50 p. m. Southbound the train leaves Duluth at 8 a. m. as at present and arrives in St. Paul at 11:59 a. m. instead of 12:40 p. m.

### Would Impose Transportation Tax

The House ways and means committee, which is currently considering a new tax bill to meet the financial burden of national defense, has voted to impose a tax on railroad, bus, air and ship tickets. Under the committee proposal all passenger transportation charges, except those of 35 cents or less, would be taxed five per cent. It is estimated that the levy will raise \$37,600,000 a year.

During public hearings on the measure Judge R. V. Fletcher, vice president and general counsel of the Association of American Railroads, told the committee that if the tax applied to all forms of transportation, the railroads had no objection to it.

### L. M. S. Officer Named Head of British Office in U. S.

Sir Ernest Lemon, vice-president (commercial and operating) of the British London, Midland & Scottish, has been appointed president of the Associated British & Irish Railways, Inc., U. S. A., according to an announcement by C. M. Turner, general traffic manager. Since June, 1938, Sir Ernest has been director-general of aircraft production for the British Air Ministry. His previous work with the L. M. S. included the planning and installation of continuous production methods for the building and maintenance of locomotives and cars. This technique of production he adapted to production in the essential aircraft industry.

### "Boss" Hague Makes Political Issue of N. J. Railroad Taxes

Frank Hague, mayor of Jersey City, N. J., since 1913 and Democratic "boss" of New Jersey, has split with Governor Charles Edison—a Democrat he helped put in office—on the railroad tax question. His vigorous newspaper campaign is said to have frightened the Republican majority in the state legislature into inaction on four bills submitted by Governor Edison on June 13 which would reduce the annual tax bill of the roads by some \$5,000,000 and waive penalty payments on back taxes amounting to \$16,000,000.

The mayor has placed fiery full-page advertisements in some 33 New Jersey news-

papers and several New York newspapers—estimated to cost at least \$100,000—in which he accuses backers of the bills of being "tools of the railroad lobby." Claiming that "the railroads are now making more money than they have ever made before," the mayor charges the carriers of determination to "take \$121,000,000 out of the pockets of the other taxpayers of New Jersey."

### P. & W. V. Asks Capacity Loading of Company Material

Suppliers of materials for the Pittsburgh & West Virginia are being requested to load cars at maximum capacity. The charge has been made more than once that the railroads themselves, in their purchase of materials and supplies, are guilty of being satisfied with loading at less than maximum. To meet this problem, the Pittsburgh & West Virginia is placing a gummed sticker on all orders for material—carload or less carload, regardless of quantity—which reads: "In the interest of maximum utilization of freight car equipment, if the material covered by the attached order exceeds a carload, please see that cars are loaded to stencilled allowable capacity within the limitations of the order."

### N. Y. Committee Warns Shippers on Export Cargo

The Joint Steamship and Railroad committee of the Maritime Commission of the Port of New York is requesting all shippers, forwarding agents and exporters not to ship any cargo for export to the port of New York unless and until definite ocean space has been booked with the steamship company and export license has been secured from the State department, if the commodity is one that comes under such restrictions. The "lease-lend" tonnage is increasing and while there is no congestion in the port, the committee, according to its official statement, "is requesting the cooperation of all shippers and forwarding agents to help keep the port of New York in its present liquid condition."

### Air Express Established Between Canada and New York

An extensive development of international air express to and from many points in Canada, served by Trans-Canada Air Lines and the Canadian National, and New York, was inaugurated on June 24, according to G. E. Bellerose, general manager, T. C. A.-C. N. Express departments.

Trans-Canada Air Lines has established its own express services between New York and Toronto, Ont., with the Railway Express Agency, Air division, performing ground service at New York. At Toronto and Windsor the ground service is provided by the Canadian National, Express department. Agents of the latter at any point in Canada can now give the public through rates by T. C. A. to New York.

In addition to ground services for T. C. A. at Toronto and Windsor, Canadian National Express will also do the work at both cities for the Railway Express Agency, Air division, whose traffic in and out of these cities is carried by American lines. The tariffs covering the air express

service have been filed with the Civil Aeronautics Board at Washington, D. C., and the Board of Transport Commissioners at Ottawa.

### Robertson Calls Seaway a Subsidy for Invasion

Building of the St. Lawrence Seaway would actually subsidize not only a perfect route for military invasion, but also a commercial invasion into the front door of industrial and agricultural United States. This is the thesis of an article opposing the project by D. B. Robertson, president of the Brotherhood of Locomotive Firemen & Enginemen, in an article in the July issue of that organization's magazine.

The article states that the project would actually make the country more vulnerable; that testimony of military experts indicates that one of the best ways for a foreign power to invade this country would be down the valley of the St. Lawrence, thus splitting the country in two. In effect, the proposed St. Lawrence waterway would make an invasion easier by providing a ready-made route.

"Besides a possible military invasion, the seaway part of the project would open up a continuous route for a 24-hr.-a-day invasion year after year to the very heart of the great industrial and agricultural region of the United States," said Mr. Robertson. He stressed the fact that "it would be a continuous invasion of our high American standards of living by cheap foreign labor products made under conditions of production which are entirely foreign and distasteful to the American way. It would be an invasion of our industrial plants, our assembly lines, and our retail organizations."

Mr. Robertson asked, "Why should we appropriate and spend our money and divert our energy to bring about this gigantic invasion? Every transportation worker should realize the threats to his future in this project." He warned that labor should not be fooled by the national defense angle, as it is just another bit of fanciful propa-

ganda tacked on to this economic blunderbuss, and continued, "Today the rails of America provide the outstanding transportation service of the world. They are adequate now and potentially so in the future."

### Coal Consumers Urged to Buy Now

The Office of Production Management on June 23 made public a resolution urging that all coal consumers from large industrial users to small home owners buy their necessary stock of coal at the present time. The resolution points out that by buying coal now users will help national defense, because moving coal during the summer months will relieve the peak of coal shipments in the late summer and early fall "when transportation will be strained by the tremendously increased load of defense production that must be moved along the nation's railways, waterways and highways."

Other agencies cooperating in the appeal are the Office of Price Administration and Civilian Supply, the Bituminous Coal Commission, and the U. S. Bituminous Coal Consumers Counsel.

### Freight Car Loading

Carloading figures for the week ended June 28 were not available at the time this issue went to press.

As reported in last week's issue, the loadings for the previous week ended June 21 totaled 885,558 cars, and the summary for that week, as compiled by the Car Service Division, A. A. R., follows:

Revenue Freight Car Loading			
For Week Ended Saturday, June 21			
Districts	1941	1940	1939
Eastern .....	189,900	154,712	131,312
Allegheny .....	196,087	155,310	120,408
Pocahontas .....	58,502	48,387	43,422
Southern .....	119,887	97,665	90,615
Northwestern .....	138,918	121,644	97,224
Central Western ..	126,647	106,359	109,422
Southwestern ..	55,617	44,416	46,131
Total Western Districts ....	321,182	272,419	252,777
Total All Roads	885,558	728,493	638,534
Commodities			
Grain and grain products ....	46,574	33,656	46,981

Live stock ....	9,089	10,553	10,272
Coal .....	161,131	123,657	96,835
Coke .....	13,558	10,605	5,864
Forest products ..	43,555	34,236	30,527
Ore .....	75,661	68,242	41,417
Merchandise l.c.l.	159,765	148,782	151,864
Miscellaneous ..	376,225	298,762	254,774

June 21 .....	885,558	728,493	638,534
June 14 .....	862,975	712,921	633,955
June 7 .....	852,940	702,892	630,060
May 31 .....	801,783	639,120	563,309
May 24 .....	866,017	687,480	623,542

Cumulative Total,  
25 Weeks ... 18,937,764 16,161,888 14,602,396

**In Canada.**—Car loadings for the week ended June 21 total 65,881 cars as compared with 65,431 for the previous week, and 59,400 cars for the corresponding week last year, according to the Dominion Bureau of Statistics.

	Total Cars Loaded	Total Cars Rec'd from Connections
Total for Canada:		
June 21, 1941 .....	65,881	31,058
June 14, 1941 .....	65,431	31,323
June 7, 1941 .....	65,005	29,409
June 22, 1940 .....	59,400	25,609
Cumulative Totals for Canada:		
June 21, 1941 .....	1,434,173	729,085
June 22, 1940 .....	1,243,137	613,303
June 24, 1939 .....	1,070,169	522,288

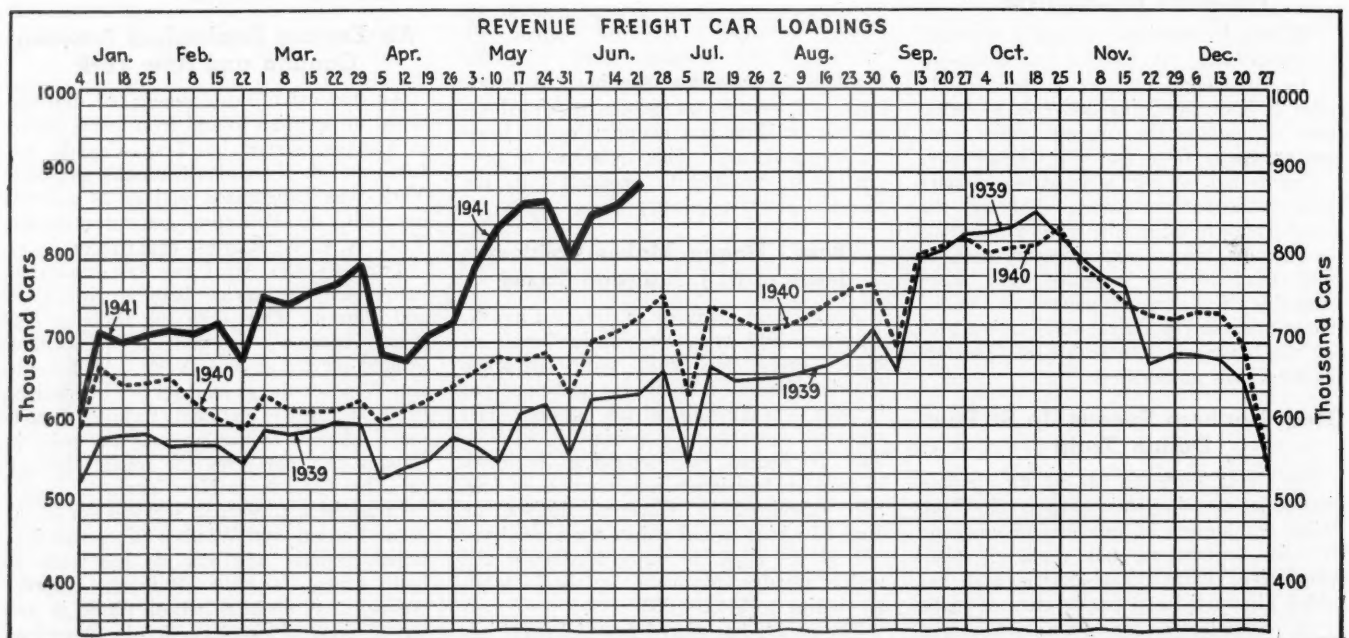
### A. T. A. Issues Corrected Report on May Truck Loadings

Having received reports from 36 additional carriers, the American Truck Association has revised its statement of May truck loadings to show that the increase over April was three per cent, and the rise over May, 1940, was 36.9 per cent. The revised report supersedes the one which was published in the *Railway Age* of June 28, page 1199.

The revised figures, based on comparable reports received from 230 motor carriers in 40 states. The reporting carriers transported an aggregate of 1,857,312 tons in May, as against 1,804,176 tons in April, and 1,355,816 tons in May, 1940. The A. T. A. index, based on the 1938-1940 average monthly tonnage of the reporting carriers as 100, stood at 159.59 for May.

### Equipment Depreciation Orders

Equipment depreciation rates for the Southern and the Gainesville Midland have





been prescribed by the Interstate Commerce Commission in a new series of sub-orders and modifications of previous sub-orders in No. 15100, Depreciation Charges of Steam Railroad Companies. Prescribed rates for the Southern are as follows: Steam locomotives, 2.7 per cent; Diesel-electric switching locomotives, 3.96 per cent; Diesel-electric passenger locomotives, 6.6 per cent; freight-train cars, 3.25 per cent; Diesel-motored passenger-train cars, including trailer, 4.5 per cent; light-weight streamlined passenger-train cars, 3.9 per cent; all other passenger-train cars, 2.5 per cent; floating equipment, 2.75 per cent; work equipment, 3.15 per cent; miscellaneous equipment, 8.04 per cent.

### Moving Government Agencies Out of Washington

The House committee on rules has reported favorably House Joint Resolution 198 which was introduced recently by its chairman—Representative Sabath, Democrat of Illinois—to create a committee to investigate the feasibility of transferring federal bureaus and agencies out of the District of Columbia. The investigating committee would consist of three members of the Senate, three members of the House, the director of the Bureau of the Budget, the Co-ordinator of Defense Housing, and the Commissioner of Public Buildings.

A couple of days after he submitted the rules committee's favorable report on the above, Mr. Sabath introduced House Resolution 257 to create for the same purpose a select committee of five members of the House.

### Priority Status Granted for Railroad Repairs

Priority status for repair and maintenance materials for 26 industries including the railroads was assured this week when the Civilian Supply Allocation Division of the Office of Price Administration and Civilian Supply promulgated an allocation program covering such items.

Action was necessitated, said the O. P. A. C. S. announcement, by growing demands on raw materials as result of the defense program and the priorities granted in connection therewith which have made it difficult for manufacturers of repair and maintenance materials and equipment to fill their orders. The effect will be to assure continued operation of essential industries and services which otherwise might have to curtail because of inability to secure needed repair or maintenance parts, the announcement concluded.

### How to Pack X-Ray Tubes and Neon Signs

Instructions on the packing of kitchen enamel-ware in corrugated fibre boxes and of X-ray tubes and neon sign in wooden and fibreboard boxes are contained in Bulletins Nos. 40, 41 and 42, respectively, recently issued by the Freight Container Bureau, Association of American Railroads, 30 Vesey Street, New York. Introductory paragraphs in each of the three bulletins describe acceptable shipping containers. Subsequent sections in Bulletin No. 40 illustrate the packing of every conceivable

type and arrangement of dishpan, wash basin, roasting pan, etc., and acceptable containers for railroad shipment. Bulletin No. 41 presents sectional drawings of shipping containers and diagrams showing positions therein of various parts of X-ray tubes, while Bulletin No. 42 presents illustrations showing the packing of different shapes and sizes of neon signs.

### Security Specialist Looks with Favor on Railroads

That the quality of railroad debt is improving and will continue to improve for the next 10 or 15 years, was the opinion expressed by D. L. Grant, president, Lindsey, Grant & Company, Inc. a New York investment house, before a meeting of the New York Society of Security Analysts recently. The speaker asserted that "there are sharp distortions in yields between railroad credits and those of municipalities, utilities, industrial companies and the federal government" and that the yield of the latter classes of debt would probably not improve in the near future.

Mr. Grant declared that 15 years ago there was a tendency to over-rate railroad credits contrasted with a similar tendency to under-rate them in the last few years. He advised investors to pay less attention to mortgage and other priority provisions—which he called "vermiform appendix in the railroad analyst's kit of tools"—and pay more attention to the general credit position of the issuing railroad.

### Burlington Gets Motor Carrier Authority

Division 5 of the Interstate Commerce Commission has authorized the Burlington Transportation Company, a wholly-owned subsidiary of the Chicago, Burlington & Quincy, to operate as a common carrier by motor vehicle, in interstate and foreign commerce, of passengers, their baggage, express and newspapers, between certain points in Iowa and Missouri over specified routes. The routes involved are between Davenport, Iowa, and Council Bluffs, between the junction of U. S. Highway 69 and Iowa Highway 266, and Weldon, Iowa, and between St. Joseph, Mo., and Kansas City.

In favorably passing upon the applications Division 5 dismissed the contentions of the Chicago, Rock Island & Pacific, the Chicago & North Western, and the Interstate Transit Lines, a subsidiary of the Union Pacific, that the proposed operations would violate the commission's decision in the Barker case by permitting the Burlington to extend its operations into territory not naturally tributary to its rails and already served by other railroads.

### Train Ride, Golf and Luncheon—All for \$3

So-called "golf outings" are the latest addition by the Long Island to its offerings of special passenger services. The first of these new trains operated from New York to Brentwood on June 28 and a second on July 29, under the auspices of the Brentwood Golf Club, which has made its facilities available to the golf outing patrons.

The round trip fare of \$3 includes fare for a round trip on the railroad of 86 mi.,

green fees at the club and a hot luncheon at the clubhouse. Not only do patrons have full use of the club's locker rooms, showers, reading room, and restaurant, but their golfing equipment is transported by truck free of charge from the Brentwood station to the club.

The special Saturday golf train leaves Pennsylvania station, New York, at 10:30 a. m. (d. s. t.), arriving at Brentwood at 11:49 a. m. Returning, golfers may leave at either 4:48 or 6:21 p. m. On Sunday the "golf outing" leaves Pennsylvania station at 9:53 a. m., arriving in Brentwood at 11:04. Returning, the train leaves Brentwood at 5:22 p. m.

### British 1940 Accident Record Good in Spite of War

In spite of the hazards of blockade, bomb craters, traffic congestion and nervous strain, the accident record of the British railroads for 1940 was not greatly out of line compared with previous years, according to the annual report of the chief inspecting officer of railways to the Ministry of War Transport. Deaths from train accidents comprised 40 passengers and 8 employees, as compared with annual averages for the previous five years of 17 and 10, respectively. Total fatalities were 453, as compared with 358 in 1939; the 1940 record included one accident which resulted in 27 fatalities.

In accidents connected with the movement of railroad cars and locomotives, exclusive of train accidents, 100 passengers were killed, as compared with an average of 69 for the previous five years. The majority of these fatalities were the result of entering or alighting from moving trains; falling from trains; and falling off station platforms. Of the 100 fatalities 59 occurred after dark, and restricted lighting was held to be a contributing factor in 25 cases.

Apart from train accidents, employees suffered 281 fatalities, compared with 249 in 1939 and an average of 228 for the five-year period 1935 to 1939, inclusive. The year opened with a prolonged period of severe weather and much sickness, the former directly accounting for 12 fatalities.

### Getting Aid to Russia—If We Decide to

Should the United States government decide to give material aid to Soviet Russia in the war, it faces a difficult transportation problem, according to data made available by the United States Department of Commerce. Due to the danger of shipping in the Atlantic, goods would probably have to be sent via the Pacific Ocean to Siberia. After a voyage of some 4,500 mi. across the Pacific requiring from 15 to 16 days for ships at a moderate speed, there still remains some 5,780 mi. from Vladivostok, Siberia, via the Trans-Siberian railway to Moscow. The 5-ft. gage of the Russian railways would preclude use of existing American rolling stock to increase transportation facilities unless expensive substitution of new trucks were made.

The capacity of the Trans-Siberian is not a matter of record. It is reported from apparently authentic sources in the Far

East, however, that as recently as June, 1941, Japan was supplying Germany with a total of 1,500 tons of raw material daily over the Trans-Siberian route. This, of course, represented only a portion of total business on the road. A study on the railway by the Department of Commerce issued in January, 1940, noted that freight traffic from the Far East economic area served solely by the Trans-Siberian increased from 5,400,000 tons in 1932 to 15,600,000 tons in 1937, an increase of almost 300 per cent.

Running time for top-flight passenger trains over the all-Russian route from Vladivostok to Moscow is reported to be about 9 days. Freight trains, averaging 30 cars, would require a much longer time, but in wartime may have precedence over passenger traffic.

### How to Answer Employees Protesting Service Cuts

"... if because of continuing and mounting deficits, transportation by railroad becomes wholly impossible and operation ceases, there will be no operating employees." This is the answer made by the New Jersey Board of Public Utility Commissioners to representatives of employees of the Delaware, Lackawanna & Western who opposed discontinuance by the road of 20 week-day and Sunday passenger trains between Dover, N. J., and Stroudsburg, Pa., Phillipsburg, N. J., and Branchville.

In authorizing the road to discontinue all but four of the trains, the board, in answer to opposition to curtailment of service, declared: "In these days and under current conditions, inconvenience to the lesser number must be suffered to insure continued convenience to the larger number. The ultimate object to be attained is the preservation of the railroad system."

Referring to the fact that representatives of railroad employees made an appearance before it, the board pointed out that crews of the affected trains are entitled to select other jobs by reason of their seniority and that other employees with less seniority may be deprived of their positions temporarily. Said the board: "Unfortunately, however, this result cannot be avoided under changed conditions of transportation. It has been weighed and considered in relation to the general benefit to the railroad and to the community in an effort to preserve the maintenance of the entire system and in such preservation the interests of employees are involved."

### Pacific Northwest Board Expects Heavy Traffic

Changes in railroad transportation requirements in the territory of the Pacific Northwest Advisory Board as a result of the war were discussed at its forty-eighth regular meeting at Tacoma, Wash., on June 26 and 27. Gordon Tongue of Superior Portland Cement, Inc. and general secretary of the board, reported that the decrease of intercoastal ships from 113 last year to 50 this year will require the operation of seven additional trains daily on western railroads. He also said that government officers expect all vessels to be transferred from intercoastal trade. Egil Mack, vice-president in charge of the

foreign department of the First National Bank of Seattle, in an address at the luncheon session, expressed the possibility that Pacific ocean shipping normally moving via the Panama canal may be diverted to North Pacific coast ports for trans-continental rail movement.

### Transport Board Fails to Get Funds

The House appropriations committee reported a deficiency bill this week but failed to include an allocation of \$100,000 for the Transport Study Board called for in the Transportation Act of 1940, although such an item had recently been requested by President Roosevelt. Although the committee gave no reason for its failure to include the amount requested, it was understood that its members took the position that there was no need to appropriate money for the board as long as its members had not received Senate confirmation.

President Roosevelt originally named three men to the board, Wayne Coy of Indiana, Nelson Smith of New Hampshire and Charles West of Ohio, but later he withdrew Mr. Coy's name and has so far failed to name a successor. In view of the vacancy existing, and rumors of threatened opposition from certain quarters, the Senate interstate commerce committee has so far failed to take up their confirmation.

In the latter connection Senator Stewart, Democrat of Tennessee, has introduced S. 1697, a bill which would amend the pertinent sections of the Transportation Act of 1940 by providing that "not more than one of the members of the board shall be appointed from the same one of the five recognized freight-rate territories known, respectively, as the Eastern or Official,

Southern, Southwestern, Western, Trunk-Line, and Mountain Pacific territories."

Chairman Eastman of the Interstate Commerce Commission appeared at the hearing of the Appropriations committee and told the members that he had had nothing to do with the request for the appropriation but that he was appearing at the request of the Bureau of the Budget. He estimated that the board would need at least \$100,000 and probably "considerably more."

Mr. Eastman submitted a breakdown of the \$100,000 figure which shows the following positions and their salaries: Three board members at \$10,000 each; three secretaries at \$2,600; one secretary and administrative assistant at \$6,500; one attorney at \$5,600; one attorney at \$3,800; one analyst at \$5,600; two analysts at \$4,600; four clerk-stenographers at \$1,620; and four assistant clerk-stenographers at \$1,440.

During his discussion with committee members on that phase of the board's assignment which would involve investigation of the transport-subsidy question, Mr. Eastman recalled that the "four very large volumes" which he turned out on the same subject "have not settled the debate."

### Bills in Congress

Representative Peterson, Democrat of Florida, has introduced H. R. 5205 to provide one-cent-per-mile rail and bus transportation for officers, enlisted men, and nurses of the army, navy, marine corps, and coast guard when on leave of absence or furlough. The bill provides for reimbursement of the carriers for the difference between that rate and the regular fare,

\* \* \*



Last Street Surface Rail of the New York Central on New York's  
West Side Marked by Ceremony

Removal of the last street surface rails of the New York Central from 11th Avenue, New York, on June 25 in a ceremony attended by city and railroad officers, symbolized completion of 40 years of planning and work on the huge West Side improvement project of the road. When the 40 ft. section had been lifted out of the pavement, the surface at 11th avenue was without steam railroad tracks for the first time since the Hudson River railroad was built in 1849.

The West Side improvement, extending 13 miles between St. John's Park station and Spuyten Duyvil, involved re-location of railroad tracks on an elevated structure south of 30th street and depression north thereof, landscaping of Riverside park and the creation of recreation facilities. The project included the removal of 640 buildings.



and authorizes the appropriation of "such sums" as may be necessary for that purpose. As noted in the *Railway Age* of April 19, the railroads have voluntarily established 1½-cents-per-mile fares for uniformed men on furlough.

Senator Smith, Democrat of South Carolina, has introduced "by request" S. 1660 to amend the National Railroad Adjustment Board provisions of the Railway Labor Act. The provisions of the bill have been agreed upon by the Association of American Railroads and the American Short Line Railroad Association; and they represent a modification of an earlier bill introduced by Senator Smith in the closing session of the previous Congress. As noted in the *Railway Age* of May 17, a draft of the proposal was recently submitted by the A. A. R. to the Railway Labor Executives' Association; but R. L. E. A. Executive Secretary J. G. Luhrs told A. A. R. President J. J. Pelley that the changes would be objectionable to labor.

Representatives Boren and Disney, Democrats of Oklahoma, have introduced, respectively, H. R. 5148 and H. R. 5149, identical bills "denying to certain representatives of labor organizations their status and benefits as such under the National Labor Relations Act." Stating that the bills were introduced "at the request of the railroad yardmasters union," Mr. Boren explained that the proposed legislation was designed to prohibit aliens from holding office in labor unions; to make it mandatory that all labor leaders shall have been actively engaged in the occupation represented for a period of three years or more before being eligible to hold office; to require all labor-union officers to be adequately bonded; to require annual financial statements from labor organizations; and to provide for a 60-day "cooling-off" period before a strike could be called.

Another bill for the completion of the Florida Ship Canal has been introduced by Representative Green, Democrat of Florida; it is H. R. 5220.

Representative Kelly, Democrat of Illinois, has introduced H. R. 5198 to liberalize the benefit provisions of the Railroad Retirement Act.

### St. Lawrence Hearings Are Continued

The House rivers and harbors committee continued to hear witnesses opposing the St. Lawrence power and seaway project this week as it made preparations to visit the site of the development in Canada on July 8. Due to the delay in obtaining witnesses and their extended questioning by committee members, it now appears that hearings cannot be completed before the first of August, committee attaches pointed out.

Among the witnesses appearing this past week were B. D. Tallamy, chief engineer of the Niagara Frontier Planning Board; P. A. Frye, director of Public Service of the state of Louisiana, who also read an opposition statement by Governor Sam H. Jones of the same state; Frank S. Davis, manager of the Maritime Association of the Boston Chamber of Commerce; Captain Thomas Howard Saunders of the International Ship Masters' Association;

H. B. Fuller and Andrew H. Brown of the Cleveland Chamber of Commerce.

All of these witnesses opposed the project, telling the committee that its huge cost was unjustified and that it would injure their respective sections of the country.

In the meantime N. R. Danielian, director of the St. Lawrence Survey, has released the fifth of a series of seven reports, entitled "The St. Lawrence Seaway and Future Transportation Requirements." In the letter of transmittal to Secretary of Commerce Jesse Jones, Mr. Danielian reaches the following conclusions as to how the project will affect the railroads of the country:

1. "Under very conservative assumptions of employment conditions, assumptions which are at the lower limit of political tolerance, average tons of freight originating in the decade of 1950 will probably be between 242,000,000 and 374,000,000 greater than the average of 1930-39. The 10,000,000 tons of additional American traffic which may use the St. Lawrence at maximum utilization would be but a fraction of the expected increase in railroad activity.

2. The railroads of the United States, though much improved in operating efficiency, have reduced space capacity and tractive power to such an extent that in the net, their carrying capacity is no more than in the decade of 1920-29. This will not be sufficient to meet traffic requirements of the future.

3. The railroads must, therefore, expand their capacity by purchase of equipment and expenditures on way and structures. The St. Lawrence Seaway will accommodate a small part of the increased demand for transportation. It is an alternative method of meeting a part of our future transportation requirements.

4. The railroads are now burdened with seasonal peak traffic that comes in late summer. The equipment used in carrying this peak traffic stays idle in the winter time. The St. Lawrence Seaway will help the railroads to improve the average utilization of their equipment by taking a part of the load off the peak. This means that the railroads will not have to buy the equipment to meet the October peak to the extent that the St. Lawrence Seaway will carry some of the peak load. As a result, the St. Lawrence Seaway will improve the average utilization of railroad rolling stock."

### House Committee Discusses Budd's Status

The status of Ralph Budd as transportation commissioner in the national defense set-up was discussed recently by the House appropriations committee, and the railroads were criticized by Representative Johnson, Democrat of West Virginia, for their alleged failure to stock-pile coal for emergencies caused by strikes, it was revealed this week when hearings on the Second Deficiency Appropriation Bill for 1941 were made public.

During the discussion of the budget request for a 1942 fiscal year appropriation of \$95,481 for the division of transportation of the Office for Emergency Management, Wayne Coy, liaison officer of the O. E. M., told the committee that Mr. Budd continued

to function "solely as a member of the advisory commission." "However," he continued, "it seems quite probable that that division will soon begin to operate as a unit within the Office for Emergency Management rather than as a part of the advisory commission."

"Do you propose to take Mr. Budd into your organization?" queried Representative Johnson.

"There is under consideration a proposition to establish in the Office for Emergency Management the functions of the transportation office of the advisory commission," replied Mr. Coy.

"That will be Mr. Budd?" asked Mr. Johnson.

"I could not answer you about that," continued Mr. Coy. "That has been the practice. All of those functions previously with the advisory commission have now been established in the Office for Emergency Management with that exception."

Mr. Johnson then told Mr. Coy that he understood that "on Mr. Budd's line there was a strike in the coal region." Mr. Coy knew nothing about that.

Mr. Johnson then made the following statement:

The Burlington Railroad owns the Valeria Coal Mines, and when that strike took place, I understand that the Burlington Railroad had eight days' supply of coal stored, and that before the strike was over, Mr. Budd had to appeal to Mr. Lewis to get some dispensation so he might open up the coal mine to supply the Burlington Railroad with coal. That dispensation was granted. I also understand from very high authority that there is going to be a shortage of cars on all of the railroads including the Burlington. I understand that they are making arrangements to store their coal now when they can get both coal and cars, and that the railroads will be called on under the law to supply coal cars that are available, when they have that shortage of cars, in order to get their supplies of coal. I am asking that question for the benefit of all of you. I may be wrong in my assertion, but it seems to me if you put a man like Mr. Budd at the head of the transportation division when he did not have foresight enough to have more than eight days' supply of coal for his railroad, and when he had to go to Mr. Lewis to get special dispensation, you had better look into his qualifications.

"I will say this generally about qualifications to serve in the national defense," replied Mr. Coy, "that if a person is not able to serve in the national interest, such a person has no business in the organization." Mr. Johnson went on to tell Mr. Coy that his information had come to him "from very high authority."

Later during the hearings, Karl W. Fischer, deputy transportation commissioner, discussed Mr. Johnson's statement with the committee. He pointed out that the Burlington, like other railroads, had captive mines that operated entirely for producing fuel for their own properties, and that this was particularly true in the case of the mine in southern Illinois to which Mr. Johnson had referred. He went on to explain that when work stopped in the bituminous mines the Burlington had approximately 45 days' supply, or what was assumed to be the requirements of traffic as it was running just prior to the cessation of operations. There was approximately eight days' supply, he believed, at the time operations were resumed in the coal mines. He was confident that Mr. Budd did not, either himself or delegate anybody else to make any separate deal with Mr. Lewis or anybody else in the United Mine Workers to get any preferential rating for the railroad he just happened to be president of.

Mr. Fischer also knew that there was no special effort made to get the southern Illinois mines started before all the other mines started to work.

Mr. Johnson continued a line of questioning to the effect that the railroads were not interested now in building up their own coal supplies in anticipation of another emergency. Mr. Fischer did not know that that was the case. He was sure that the carriers, as a matter of self-preservation, would stock-pile coal for their needs.

Later Mr. Fischer submitted to Chairman Woodrum a memorandum, pointing out, among other things, that Mr. Budd was on record as favoring the railroads storing as much coal as possible in the summer months, and the advisory commission had adopted a resolution on recommendation of Mr. Budd urging the railroads and other industries to order and store as much coal as practicable before October 1. He told the committee that he understood that the large operators, including the railroads, had already started their program of contracting for and stock piling coal.

Meanwhile, I. C. C. Chairman Eastman said that he knew nothing of reports that he is slated to head a new defense transport set-up.

### 10 Roads Protest C. & O. Coal Rates

The Interstate Commerce Commission Division 2, on July 1 voted not to suspend the proposed 55 cents per net ton rate on bituminous coal from certain mines in Fayette County, W. Va., on the Chesapeake & Ohio to Mount Carbon, W. Va., for interstate movement beyond by water, which were to become effective July 2. Division 2's refusal to suspend does not in itself deny the general petition for an investigation. The full commission will have to pass on that.

The Chesapeake & Ohio has been accused by the principal coal carrying roads in the Pocahontas region of seeking to destroy the present coal rate structure in the East. This was made known this week when 10 of the principal coal carriers in the East filed a petition with the Interstate Commerce Commission asking that body to enter upon an investigation and hearing on its own motion and initiative concerning the lawfulness of rates of the C. & O. on coal from mines in the Logan, Kanawha, and Coal River fields to Huntington, W. Va., and mines in Northeastern Kentucky to Catlettsburg, Ky., for interstate movement beyond by water.

Immediately the C. & O. countered the move by filing its own petition asking the commission to deny the request of the carriers for an investigation and declaring that it "has as great an interest in maintaining the freight rate structure on coal as any railroad in the United States, and it certainly would not knowingly do anything that would adversely affect the revenues of the carriers generally on this important traffic."

The carriers involved in the complaining petition are the Baltimore & Ohio, Louisville & Nashville, New York Central

and leased lines, Monogahela, Norfolk & Western, Pennsylvania, Pittsburgh & Lake Erie, Pittsburgh & West Virginia, Virginian, and the Western Maryland.

The complaining carriers also charge that the C. & O.'s rate of 55 cents per net ton is "abnormally and unreasonably low and unlawful," and they ask the commission to enter upon a hearing concerning the lawfulness "of what are considered to be 'unreasonably low' rates of 55 cents per net ton from certain mines in Fayette County, W. Va., on the C. & O. to Mount Carbon, W. Va., for interstate movement beyond by water, to become effective July 2." Pending a hearing on this matter, the carriers request that the commission suspend the proposed rates. The petition goes on to say that if the rates are not suspended by the time of the consideration of the principal petition, they desire that both cases be heard at once.

After pointing out that they are common carriers in interstate commerce and are importantly engaged in originating and transporting bituminous coal from mines in the Appalachian region to points in Central Freight Association territory, including points along the Ohio River and inland points in the vicinity thereof, the carriers tell the commission that in this traffic "they encounter the pressing and highly successful competition of the C. & O." They also point out that they protested the 55-cent rate in 1938 when it was first filed, but that the commission neither suspended the rates nor chose to hold a hearing on their lawfulness.

"We feel justified," declare the protesting carriers, "in expressing the belief that 2½ years ago the members of the commission charged with the disposition of the protest must have come to one of two views about the matter. They may have concluded that there was little substance to the predictions of the protestants that the low rates would inevitably beget other abnormally low rates and eventually threaten a great rate structure practically built up by the commission itself, and described by the courts as 'a finely balanced and nicely adjusted schedule of interstate and intrastate rates.' They may have concluded that the time had not yet come when it was reasonably necessary to act to protect the rate structure.

"The march of events is lending confirmation to the predictions of 2½ years ago. There is greatly increased and pressing need for the commission to put a stop to the disruptive course the C. & O. has entered upon."

In its reply to the protest of the carriers, the C. & O. "not only admits but asserts that the principal justification for its proposed reduced transshipment rate of 55 cents is the competition of coal from mines on or adjacent to the Kanawha River moving wholly by water to Ohio River points."

"It is the considered judgment of the respondent's management that the proposed rate of 55 cents will not have any substantially adverse effect on the general situation," continues the C. & O.'s reply brief, "and will only enable producers on the C. & O. partially to meet water competition from mines on the Kanawha River, which pay no transportation charges to any railroad.

"Notwithstanding the idea that pervades some quarters that the railways of the United States now form a national transportation system, we do not believe that the time has yet come when protesting competing carriers can prevent an individual carrier from attempting to meet water competition, provided that the rates proposed are compensatory and do not constitute a menace to the steady and efficient service called for under provisions of section 15a (2) of the Interstate Commerce Act."

Later in the week briefs were filed by the Logan Coal Operators Association, the New River Company, the White Oak Coal Company, and the American Rolling Mill Company, opposing the carriers' petition and asking that the request for the investigation be denied.

"The national public interest in the defense program prohibits," declared the Logan operators, "any change in rate which would have the effect of preventing the most efficient use of all means of transportation by increasing the volume of all-rail traffic and thereby rendering idle existing river transportation facilities." The Logan people also contended that the present carriers' petition introduces no issues that were not present in the 1938 case.

### Bituminous Coal Division on Possible Coal Shortage

Figures revealing "why the Bituminous Coal Division of the Department of the Interior is concerned over a possible consumers' coal shortage this fall and winter in the face of national defense and winter heating demands," have been made public by Secretary Ickes.

The special survey of the Bituminous Coal Division economists and statisticians was said to have shown:

1. An annual increase of over 10 per cent in coal requirements is estimated, with over 500,000,000 tons needed by the nation in 1941 against 1940 production of 453,000,000 tons.
2. A 56 per cent reduction in consumers' coal stock piles following strikes which cut reserves at points of use from approximately 50,000,000 tons to 22,000,000 tons.
3. A cut of 58 per cent in surplus railroad coal cars from 43,000 at the end of June 1940 to 17,926 on June 14, 1941 pointing directly at a vital coal car and transport shortage regardless of other railroad burdens involving motive power and operation strain under defense burdens.
4. Necessity of increasing weekly production over 10 per cent and attaining for sustained periods this fall weekly production of over 11,000,000 tons compared with an 8,000,000 ton weekly average last June and a 9,500,000 to 10,000,000 weekly production this month.
5. Difficulty in the face of defense production of obtaining mining machinery essential because of today's increasing mechanized mining practices.

Among other comment on the foregoing, the Interior Department statement said: "The likelihood of transportation difficulties is indicated by recent trends in the declining supply of surplus railway coal cars available to meet estimated seasonal increases in production, and by the coal industry's growing uneasiness concerning the problem. If the recent diminishing trend in surplus coal car supply is maintained, the surplus will be entirely wiped out in September and October, and coal car shortages will then occur. Serious and prolonged coal car shortages are quickly translated into coal shortages, because of the inability of the mines to make shipments. Since coal generally is not stored at the mines, car shortages also mean the loss of mine operating time which it would be



difficult if not impossible to make up during a period of heavy coal requirements.

"The railway car supply is of particular importance to coal transportation, since approximately 90 per cent of the coal transported is hauled either part or all of the way from mines to consumers by the railroads. In view of the growing tightness of the transportation situation, other factors, such as diverting coal cars to transportation of other things, the labor supply, locomotive equipment, terminal facilities, delay in the return of cars to the mines, loading cars under their capacity, also enter into the situation.

"The car shortages are most likely to occur in September and October of this year. The peak in seasonal influence on coal production will begin to be felt during this period, and heavy shipments of coal to lower Great Lakes ports still will be in progress. In view of the national defense program, there is not likely to be any lessening in the demand for railroad cars for hauling other commodities. In fact, this demand may even increase as business generally increases in the fall. However, when the Great Lakes freeze over, usually in November, steamers no longer will be able to haul coal to the Upper Great Lakes Docks for winter storage. This would release a great many railroad cars, and be a large factor in helping to meet the peak in seasonal requirements.

There obviously is a good deal of concern in the coal industry over the possibility of transportation difficulties this fall. The industry, with the cooperation of government defense agencies, is conducting an extensive campaign in an effort to induce consumers to lay in their fuel in advance of fall as a means of relieving the peak in transportation requirements. Coal bought and shipped now will relieve the pressure later on."

### Railways Have Wheat Movement "Licked"

While the Kansas winter wheat movement began in large quantities only this week, the wheat-loading railways are now in position to say definitely that they can handle the unusually large crop without delays. Each of the roads handled the loadings of Texas and Oklahoma wheat expeditiously during the last few weeks and all of the lines now report much greater supplies of box cars in storage in the field ready for loading of the oncoming Kansas crop than were available last year. As a result, on Saturday, June 28, the wheat-loading roads informed the Car Service division that Order 43 could now be modified. This order required eastern and southeastern lines to return western box cars to the owning lines immediately upon their being made empty, without waiting for loads in the direction of home.

The railways base their confidence in being able to handle the wheat not only on the immediate past performance of taking care of the bulk of the Texas and Oklahoma crops, but also upon their experiences in 1931. This year the situation is complicated, of course, by the heavy shipments because of the national defense program and also by the presence of much

government-loan wheat of the 1940 crop in the terminal and sub-terminal elevators. Huge carryovers are by no means uncommon however. On July 1, 1931, for example, the carryover amounted to 313,000,000 bushels and the crop was 942,000,000 bushels, or a total to be transported and stored of 1,255,000,000 bushels. This year, the carryover is estimated at 385,000,000 bushels with a prospective crop of 650,000,000 bushels of winter wheat and 200,000,000 bushels of spring wheat—a total of 1,235,000,000 bushels, or 20,000,000 less than in 1931. Accordingly, from experience, the railways know exactly what they are facing and are able to predict that the movement will be handled without difficulty.

This result was obtained primarily by the thorough organization of the railways to handle the crop and by careful advance planning. The railways knew the immensity of the job they were facing and, despite certain complications beyond their control, prepared in every way to meet it. The field force of transportation inspectors was materially increased, car inspection of stored empties was rigidly carried out to avoid delays from hot boxes and other car defects under load, grain door supplies were built up to meet all needs, manpower and rolling stock were transferred from other divisions to the loading territory and hundreds of other details were attended to in advance. Also, the eastern railways co-operated wholeheartedly in the return of empties. In one instance, a trainload of wheat was received at Chicago, delivered and unloaded at elevators in Baltimore, Md., and the empty cars returned to Chicago—all within the space of five days. Turnarounds between Chicago and the eastern seaboard within a week are commonplace.

The Car Service division co-operated expertly. The necessary orders covering the return of western cars were issued and made effective as soon as the necessity therefor arose. The manager of the Closed Car section has been transferred temporarily from Washington to Kansas City and, the field force has been greatly augmented. The Car Service division has also been of great assistance in securing the co-operation of shippers, elevator men, grain inspectors and everyone connected with the movement. A unique feature in apprising the farmers of the situation was a series of radio broadcasts from Wichita in which members of the Trans-Missouri-Kansas Shippers Advisory board collaborated with railway transportation officers in disseminating information. The committees to acquire and disseminate information on the transportation and storage of grain, which were set up at key points, were valuable in developing the complete picture of the situation so that any potential "bottle-necks" might be taken care of. The Kansas City terminal, which is ordinarily a danger spot, is just now receiving its acid test. In 1931, there were as many as 6,500 cars of wheat on track in the greater Kansas City terminal at one time. Until the last few days, not more than 1,200 cars of wheat were handled at this terminal at any one time, and, because of the fluid condition of the terminal when the rush began and the fact that the farmers and

country elevators are holding wheat back instead of dumping it into Kansas City, the railways are thoroughly confident the test will be met.

The weather has also been a factor of assistance. The gigantic carryover of government-loan wheat, which had to be moved to make storage space available, was held up so long by the Commodity Credit Corporation that, under ordinary harvesting conditions, the railways would have been called upon to move the 1941 crop while still engaged in moving the delayed shipments of the 1940 crop. Loan wheat carried over from last year is still moving, but unusually wet weather has delayed the harvesting of the new crop until the bulk of the old crop has been shipped.

A further factor has been the co-operation of the farmers and country elevators. Farm storage space has been materially augmented this year and is estimated to be greater than ever before. The farmers with storage space available have been filling it instead of calling upon the railways to handle the grain the instant it is harvested. The country elevators have also assisted by holding back grain to the limit of their capacity for later shipment, when the violent rush is over.

### More Forwarder Bills

Indicating a division of opinion among members of the House committee on interstate and foreign commerce, which has been considering legislation for the regulation of freight forwarders, two members of the committee last week introduced bills without waiting for the committee to frame its proposal. The bills introduced were identical measures—H. R. 5178, put in by Representative Bulwinkle, Democrat of North Carolina, and H. R. 5179, offered by Representative Wolverton, Republican of New Jersey.

Meanwhile, the Interstate Commerce Commission on June 27 announced a further postponement from July 1 to October 1 of the effective date of its outstanding orders which would require the discontinuance of joint-rate arrangements between forwarders and motor carriers. In announcing its action, the commission said that it had been advised again by the Transportation Division of the Advisory Commission to the Council of National Defense that cancellation of the joint-rate arrangements "would be detrimental to the national defense program." The commission added: "Also, the progress which has been made in the consideration of legislation for the regulation of forwarders leads us to believe that such legislation is probable at the present session of Congress."

In the latter connection, the House committee, prior to the introduction of the Bulwinkle-Wolverton bill had before it the Senate-approved Reed-Wheeler bill (S. 210) and H. R. 3684 introduced by Chairman Lea of the committee. The Lea bill, reviewed in the *Railway Age* of March 8, was approved generally by forwarders and the trucking industry; but the forwarders do not like some features of S. 210, nor of the new Bulwinkle-Wolverton proposal. Among other things, the latter, which would become Part IV of the Interstate Commerce Act, provides for licenses rather

than certificates of convenience and necessity for forwarders; and it stipulates that no license shall be denied to a forwarder applicant because of its relationship with a common carrier subject to Part I, II, or III of the Interstate Commerce Act. Furthermore, the commission would be prohibited from denying a license on the ground that the proposed forwarder service would be in competition with services of other freight forwarders.

The section dealing with the relationship between freight forwarders and "other persons" provides that nothing in the act would make it unlawful for any common carrier subject to Part I, II, or III to acquire control of a freight forwarder; and "in any case where such control exists, no rate, charge, classification, rule, regulation, or practice of the common carrier or of any freight forwarder controlled by such common carrier . . . shall be held to be unlawful under any provisions of this act because of the relationship between such common carrier and such freight forwarder." In other words there could be no finding like that in the Freight Forwarding Investigation to the effect that railroads, through their controlled forwarders, were offering services at rates different from those published in the rail tariffs.

Among the exemptions provided in the Bulwinkle-Wolverton bill are the usual ones for forwarder services of cooperatives and on agricultural commodities; but there is another for forwarders of a "single general commodity." As to the joint-rate arrangements with motor carriers, the bill would require that they be discontinued within a year; but it would authorize carriers whose services the forwarders utilize to publish special rates applicable on forwarder traffic into and out of concentration and break-bulk points. However, such rates would be available to any shipper, forwarder, or carrier in a position to operate "under like conditions." The rate-making rule would follow those in other parts of the act, while forwarders would be prohibited from discriminating against any person, port, port district, gateway, transit point, locality, region, district, territory, or description of traffic.

Other provisions are the usual ones with respect to general powers and duties of

the commission; rates, charges and practices of forwarders; tariffs of forwarders; accounts, records and reports; bills of lading and liability for delivery of property; collection of rates and charges; unlawful acts and penalties. Another section would limit forwarders to the use of common carriers, except for the performance of terminal collection and delivery and transfer services. There it is provided that air carriers subject to the Civil Aeronautics Act of 1938 shall be among carriers which the forwarders may utilize; while another section amends the Civil Aeronautics Act to eliminate "freight forwarders subject to Part IV of the Interstate Commerce Act" from the definition of "air carrier."

The aforementioned section on licenses stipulates that any forwarder in business "when this section takes effect" may continue operations for a period of 180 days during which it is required to file application for a license.

## Meetings and Conventions

*The following list gives names of secretaries, dates of next or regular meetings and places of meetings:*

- ALLIED RAILWAY SUPPLY ASSOCIATION.—J. F. Gettrust, P. O. Box 5522, Chicago, Ill.  
 AMERICAN ASSOCIATION OF FREIGHT TRAFFIC OFFICERS.—W. R. Curtis, F. T. R. M. & O. R. R., 327 S. La Salle St., Chicago, Ill.  
 AMERICAN ASSOCIATION OF GENERAL BAGGAGE AGENTS.—E. P. Soebbing, 1431 Railway Exchange Bldg., St. Louis, Mo. Annual meeting, October 7-9, 1941, San Francisco, Cal.  
 AMERICAN ASSOCIATION OF PASSENGER TRAFFIC OFFICERS.—B. D. Branch, C. R. R. of N. Y., 143 Liberty St., New York, N. Y. Annual meeting, November 11-13, 1941, Del Monte Hotel, Del Monte, Cal.  
 AMERICAN ASSOCIATION OF RAILROAD SUPERINTENDENTS.—F. O. Whiteman, Room 332, Dearborn Station, Chicago, Ill. Annual meeting, May 12-14, 1942, Chicago, Ill.  
 AMERICAN ASSOCIATION OF RAILWAY ADVERTISING AGENTS.—E. A. Abbott, Poole Bros., Inc., 85 W. Harrison St., Chicago, Ill. Annual meeting, January 16-17, 1942, St. Louis, Mo.  
 AMERICAN ASSOCIATION OF SUPERINTENDENTS OF DINING CARS.—F. R. Berger, C. I. & L. Ry., 836 S. Federal St., Chicago, Ill.  
 AMERICAN RAILWAY BRIDGE AND BUILDING ASSOCIATION.—F. O. Whiteman, Room 332, Dearborn Station, Chicago, Ill. Annual meeting, October 14-16, 1941, Hotel Stevens, Chicago, Ill.  
 AMERICAN RAILWAY CAR INSTITUTE.—W. C. Tabbert, 19 Rector St., New York, N. Y.  
 AMERICAN RAILWAY DEVELOPMENT ASSOCIATION.—G. E. Smith, New York Central R. R., La Salle Street Station, Chicago, Ill.  
 AMERICAN RAILWAY ENGINEERING ASSOCIATION.—Works in cooperation with the Association of

- American Railroads, Engineering Division.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, March 17-19, 1942, Palmer House, Chicago, Ill.  
 AMERICAN RAILWAY MAGAZINE EDITORS' ASSOCIATION.—M. W. Jones, Baltimore & Ohio R. R., 1105 B. & O. R. R. Bldg., Baltimore, Md.  
 AMERICAN SHORT LINE RAILROAD ASSOCIATION.—J. H. Hunt, Tower Bldg., Washington, D. C. Annual meeting September 29-30, 1941, Hotel Morrison, Chicago, Ill.  
 AMERICAN SOCIETY OF MECHANICAL ENGINEERS.—C. E. Davies, 29 W. 39th St., New York, N. Y.  
 Railroad Division, C. L. Combes, *Railway Age*, 30 Church St., New York, N. Y.  
 AMERICAN TRANSIT ASSOCIATION.—Guy C. Hecker, 292 Madison Ave., New York, N. Y. Annual meeting, September 27-October 2, 1941, Chalfonte-Haddon Hall, Atlantic City, N. J.  
 AMERICAN WOOD PRESERVERS' ASSOCIATION.—H. L. Dawson, 1427 Eye St. N. W., Washington, D. C. Annual meeting January 27-29, 1942, Nicollet Hotel, Minneapolis, Minn.  
 ASSOCIATION OF AMERICAN RAILROADS.—H. J. Forster, Transportation Bldg., Washington, D. C.  
 Operations and Maintenance Department.—Charles H. Buford, Vice-President, Transportation Bldg., Washington, D. C.  
 Operating-Transportation Division.—L. R. Knott, 59 E. Van Buren St., Chicago, Ill.  
 Operating Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.  
 Transportation Section.—L. R. Knott, 59 E. Van Buren St., Chicago, Ill.  
 Fire Protection and Insurance Section.—W. F. Steffens, New York Central, Room 3317, 230 Park Avenue, New York, N. Y. Annual meeting, October 14-15, 1941, Congress Hotel, Chicago, Ill.  
 Freight Station Section.—L. R. Knott, 59 E. Van Buren St., Chicago, Ill.  
 Medical and Surgical Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.  
 Protective Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.  
 Safety Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.  
 Telegraph and Telephone Section.—W. A. Fairbanks, 30 Vesey St., New York, N. Y. Annual meeting September 23-25, 1941, Gibson Hotel, Cincinnati, Ohio.  
 Engineering Division.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, March 17-19, 1942, Palmer House, Chicago, Ill.  
 Construction and Maintenance Section.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, March 17-19, 1942, Palmer House, Chicago, Ill.  
 Electrical Section.—W. S. Lacher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, October 28, 1941, Hotel Sherman, Chicago, Ill.  
 Signal Section.—R. H. C. Balliet, 30 Vesey St., New York, N. Y. Annual meeting, September 30-October 2, 1941, Broadmoor Hotel, Colorado Springs, Colo.  
 Mechanical Division.—Arthur C. Brown, 59 E. Van Buren St., Chicago, Ill. Annual meeting, June, 1942.  
 Electrical Section.—J. A. Andreucetti, 59 E. Van Buren St., Chicago, Ill. Annual meeting, October 28-30, 1941, Hotel Sherman, Chicago, Ill.  
 Purchases and Stores Division.—W. J. Farrell, Transportation Bldg., Washington, D. C. Annual meeting, July 10-11, 1941, Palmer House, Chicago, Ill.  
 Freight Claim Division.—Lewis Pilcher, 59 E. Van Buren St., Chicago, Ill. Annual meeting, 1942, Chicago, Ill.  
 Motor Transport Division.—George M. Campbell, Transportation Bldg., Washington, D. C.  
 Car-Service Division.—E. W. Coughlin, Transportation Bldg., Washington, D. C.  
 Finance, Accounting, Taxation and Valuation Department.—E. H. Bunnell, Vice-President, Transportation Bldg., Washington, D. C.  
 Accounting Division.—E. R. Ford, Transportation Bldg., Washington, D. C.  
 Treasury Division.—E. R. Ford, Transportation Bldg., Washington, D. C. Annual meeting, September 24-26, 1941, Broadmoor Hotel, Colorado Springs, Colo.  
 Traffic Department.—A. F. Cleveland, Vice-President, Transportation Bldg., Washington, D. C.  
 ASSOCIATION OF RAILWAY CLAIM AGENTS.—F. L. Johnson, Claim Agent, Alton R. R., 340 W. Harrison St., Chicago, Ill. Annual meeting, 1942, Buffalo, N. Y.  
 BRIDGE AND BUILDING SUPPLY MEN'S ASSOCIATION.—R. Y. Barham, Armo Railroad Sales Company, 310 S. Michigan Ave., Chicago,

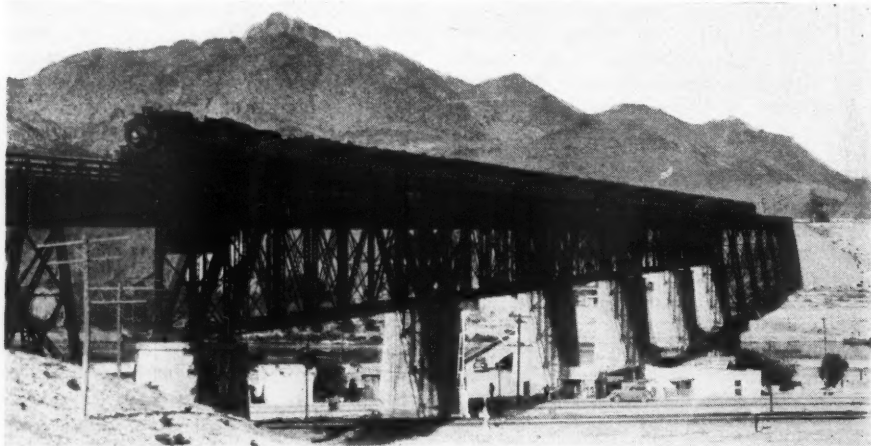


Photo by Russell G. Knight

The Sunset Limited Eastbound Over the Southern Pacific's Rio Grande Bridge West of El Paso, Tex.



- III. Exhibit in connection with American Railway Bridge and Building Association Convention, October 14-16, 1941, Hotel Stevens, Chicago, Ill.
- CANADIAN RAILWAY CLUB.—C. R. Crook, 4415 Marcl Ave., N. D. G., Montreal, Que. Regular meetings, second Monday of each month except June, July and August, Windsor Hotel, Montreal, Que.
- CAR DEPARTMENT ASSOCIATION OF ST. LOUIS, MO.—J. J. Sheehan, 1101 Missouri Pacific Bldg., St. Louis, Mo. Regular meetings, third Tuesday of each month, except June, July and August, Hotel De Soto, St. Louis, Mo.
- CAR DEPARTMENT OFFICERS' ASSOCIATION.—Frank Kartheiser, Chief Clerk, Mechanical Dept., C. B. & Q., Chicago, Ill. Annual meeting September 23-24, 1941, Hotel Sherman, Chicago, Ill.
- CAR FOREMEN'S ASSOCIATION OF CHICAGO.—G. K. Oliver, 8238 S. Campbell Ave., Chicago, Ill. Regular meetings, second Monday of each month, except June, July and August, La Salle Hotel, Chicago, Ill.
- CENTRAL RAILWAY CLUB OF BUFFALO.—Mrs. M. D. Reed, 1817 Hotel Statler, McKinley Square, Buffalo, N. Y. Regular meetings, second Thursday of each month, except June, July and August, Hotel Statler, Buffalo, N. Y.
- EASTERN ASSOCIATION OF CAR SERVICE OFFICERS.—J. T. Bougher, 424 W. 33rd St. (11th floor), New York, N. Y.
- LOCOMOTIVE MAINTENANCE OFFICERS' ASSOCIATION.—J. E. Goodwin, Missouri Pacific R. R., No. Little Rock, (P. O. Little Rock), Ark. Annual meeting, September 23-24, 1941, Hotel Sherman, Chicago, Ill.
- MASTER BOILER MAKERS' ASSOCIATION.—A. F. Stiglmeier, 29 Parkwood St., Albany, N. Y. Annual meeting, September 23-24, 1941, Hotel Sherman, Chicago, Ill.
- NATIONAL ASSOCIATION OF RAILROAD AND UTILITIES COMMISSIONERS.—Ben Smart, 7413 New Post Office Bldg., Washington, D. C. Annual meeting, August 26-29, 1941, St. Paul Hotel, St. Paul, Minn.
- NATIONAL RAILWAY APPLIANCE ASSOCIATION.—C. H. White, Room 1826, 208 S. La Salle St., Chicago, Ill. Exhibit in connection with A. R. E. A. Convention, March 16-19, 1942, International Amphitheatre, Chicago, Ill.
- NEW ENGLAND RAILROAD CLUB.—W. E. Cade, Jr., 683 Atlantic Ave., Boston, Mass. Regular meetings, second Tuesday of each month, except June, July, August and September, Hotel Touraine, Boston, Mass.
- NEW YORK RAILROAD CLUB.—D. W. Pye, 30 Church St., New York, N. Y. Regular meetings, third Thursday of each month, except June, July, August, September, and December, 29 W. 39th St., New York, N. Y.
- PACIFIC RAILWAY CLUB.—William S. Wolner, P. O. Box 3275, San Francisco, Cal. Regular meetings, second Thursday of each alternate month, at Palace Hotel, San Francisco, and second Friday of each alternate month, at Hotel Hayward, Los Angeles.
- RAILWAY BUSINESS ASSOCIATION.—P. H. Middleton, First National Bank Bldg., Chicago, Ill.
- RAILWAY CLUB OF PITTSBURGH.—J. D. Conway, 1647 Oliver Bldg., Pittsburgh, Pa. Regular meetings, fourth Thursday of each month, except June, July and August, Fort Pitt Hotel, Pittsburgh, Pa.
- RAILWAY ELECTRIC SUPPLY MANUFACTURERS' ASSOCIATION.—J. McC. Price, Allen-Bradley Company, 600 W. Jackson Blvd., Chicago, Ill. Annual meeting and exhibit, October 28-30, 1941, Hotel Sherman, Chicago, Ill.
- RAILWAY FUEL AND TRAVELING ENGINEERS ASSOCIATION.—T. Duff Smith, Room 811, Utilities Bldg., 327 S. La Salle St., Chicago, Ill. Annual meeting, September 23-24, 1941, Hotel Sherman, Chicago, Ill.
- RAILWAY SUPPLY MANUFACTURERS' ASSOCIATION.—J. D. Conway, 1647 Oliver Bldg., Pittsburgh, Pa.
- RAILWAY TELEGRAPH AND TELEPHONE APPLIANCE ASSOCIATION.—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York, N. Y. Meets with Telegraph and Telephone Section of A. A. R.
- RAILWAY TIE ASSOCIATION.—Roy M. Edmonds, 903 Syndicate Trust Bldg., St. Louis, Mo.
- ROADMASTERS' AND MAINTENANCE OF WAY ASSOCIATION.—F. O. Whiteman, Room 332, Dearborn Station, Chicago, Ill. Annual meeting, September 16-18, 1941, Hotel Stevens, Chicago, Ill.
- SIGNAL APPLIANCE ASSOCIATION.—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York, N. Y. Meets with A. A. R. Signal Section.
- SOUTHERN AND SOUTHWESTERN RAILWAY CLUB.—A. T. Miller, 4 Hunter St., S. E., Atlanta, Ga. Regular meetings, third Thursday in January, March, May, July, September and November, Ansley Hotel, Atlanta, Ga.
- SOUTHERN ASSOCIATION OF CAR SERVICE OFFICERS.—D. W. Brantley, C. of Ga. Ry., Savannah, Ga.
- TORONTO RAILWAY CLUB.—D. M. George, P. O. Box 8, Terminal "A," Toronto, Ont. Regular meetings, fourth Monday of each month, except June, July and August, Royal York Hotel, Toronto, Ont.
- TRACK SUPPLY ASSOCIATION.—Lewis Thomas, Q.
- and C. Company, 59 E. Van Buren St., Chicago, Ill. Exhibit in connection with Roadmasters and Maintenance of Way Association Convention, September 15-18, 1941. Hotel Stevens, Chicago, Ill.
- UNITED ASSOCIATIONS OF RAILROAD VETERANS.—Roy E. Collins, 112 Hatfield Place, Port Richmond, Staten Island, N. Y. Annual meeting, October 11-12, 1941, Cleveland, Ohio.
- WESTERN RAILWAY CLUB.—E. E. Thulin (Executive Secretary) Earl Thulin Company, 122 S. Michigan Ave., Chicago, Ill. Regular meetings, third Monday of each month, except June, July, August and September, Hotel Sherman, Chicago, Ill.

## Construction

CAMBRIA & INDIANA.—Division 4 of the Interstate Commerce Commission has extended from July 1, 1941, and June 30, 1942, respectively, to July 1, 1944, and June 30, 1945, the time within which this company shall commence and complete the construction of an extension of its lines in Cambria County, Pa.

CHICAGO & NORTH WESTERN.—A contract has been awarded the Gale Service & Construction Co., Chicago, for the construction of a locomotive boiler wash-out and fill-up plant at Council Bluffs, Iowa. The cost of the plant will approximate \$35,000.

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC.—A contract has been awarded Peterson & Bussowitz, Austin, Minn., for the construction of a new passenger station at that point. The new station will occupy an area 38 ft. by 138 ft. and will also contain express and baggage facilities. It will have a concrete foundation, brick walls, and a built-up asphalt roof. The walls in the rooms serving the public will be backed up with tile and finished with plaster. The station will cost approximately \$35,000.

CHICAGO, ROCK ISLAND & PACIFIC.—Contracts have been awarded for the construction of a new freight terminal at Oklahoma City, Okla. The structures at the new terminal will consist of a 30-ft. by 60-ft. one-story brick office with a basement, a 30-ft. by 135-ft. enclosed warehouse with a concrete floor, a 30-ft. by 165-ft. covered platform, a concrete transfer platform 16-ft. by 497-ft. with a 10-ft. by 14-ft. shed at one end and a machinery platform 14 ft. and 26 ft. wide and 70 ft. long. The contract for the construction of the office building, all foundations and concrete work for the platforms, and placing the scales, was awarded to Reinhart & Donovan, Oklahoma City, Okla. The contract for the steel work and the construction of the warehouse and roof over the covered platform was awarded the Midwest Steel Company, Oklahoma City. The railroad will furnish the scales, all concrete materials and some second hand steel which will be remodeled by the Midwest Steel Company for the structural members required. The railroad company has also made the required track changes. The total cost of the project will be approximately \$50,000.

GULF, COLORADO & SANTA FE.—A contract amounting to approximately \$416,000 has been awarded Oran Speer, Alvord, Tex., by the Texas Highway Department for the construction of a railroad-highway

grade separation structure and also for a grade separation structure for two highways in Dallas, Tex. The railroad highway grade separation structure will consist of one 60-ft. simple steel girder span, one 70-ft. and one 120-ft. cantilever steel girder spans and one 125-ft. anchor steel girder span for the highway over the G. C. & S. F., supported on concrete abutments with spread footings, and steel towers resting on concrete piers with spread footings. The angle of intersection of the highway bridge and the main track of the railroad is 73 deg. The bridge will provide two 26-ft. traffic lanes, separated by a 4-ft. parting strip, and two 5-ft. side-walks.

MISSOURI PACIFIC.—The Missouri Pacific plans to modernize its station at Kirkwood, Mo. The old roof, watch tower and 12-ft. eave projections will be removed and replaced with a modern hip roof. The upper portion of the exterior walls will be sheathed with asbestos-cement clapboards, and inside, the walls will be finished with asbestos-cement wallboards paneled with metal mouldings. A new heating plant will be installed. The ticket window and office partition will be removed and a modern counter installed. Modern tubular furniture will be installed in the waiting room.

MASSILLON, OHIO (Local Protection Project).—The E. J. Albrecht Company, Chicago, with a bid of \$1,236,674 was the low bidder on Section 1 of the Local Protection Project at Massillon, Ohio, involving the straightening and widening of the channel of the Tuscarawas river through Massillon, Ohio, and the relocation of the Pennsylvania and Wheeling & Lake Erie main lines and side tracks and certain side tracks and engine terminal facilities of the Baltimore & Ohio.

It will be necessary to relocate approximately 6,000 ft. of double track of the Pennsylvania and certain connections from the main line tracks to industries and a new bridge of three truss spans, each 192 ft. long, will be constructed over the new river channel about 700 ft. downstream from the present bridge. In addition, the Pennsylvania's South Massillon branch will be relocated on the west side of the river, requiring about 4,200 ft. of new single track and new bridges over Walnut road and the Baltimore & Ohio.

The Wheeling & Lake Erie single main track will be relocated on the west side of the river for a distance of 5,000 ft., and thus eliminate two existing river bridges. The present interchange track with the Baltimore & Ohio will also be relocated. The change of the river channel will require the relocation of the Wheeling & Lake Erie freight station and a new building with team tracks and a driveway will be provided on the east side of the river. A connection from the Wheeling & Lake Erie relocated main track to its new freight station and various industries on the east side of the river will be made by means of a new bridge over the relocated river channel, consisting of two 180-ft. truss spans and one 100-ft. through plate girder span.

The present Baltimore & Ohio bridge

and track leading to industrial concerns on the east side of the river will be removed to permit the proposed channel work. Access to the industries on the east side of the river will be by means of the bridge described above to be constructed for the joint use of the Wheeling & Lake Erie and the Baltimore & Ohio. The relocation of the Pennsylvania main line tracks will require the relocation of the Baltimore & Ohio engine terminal facilities and water treating plant.

In addition, three new viaducts will be constructed over all railroad tracks and the new channel, eliminating the existing grade crossings.

**ST. LOUIS-SAN FRANCISCO and ST. LOUIS SOUTHWESTERN.**—The Texas Highway Department has awarded a contract amounting to approximately \$239,000 to Oran Speer, Alvord, Tex., for the construction of three bridges and adjacent highway approaches on U. S. Highway No. 77 near Carrollton, Tex., one over the Frisco, another over the Cotton Belt, and a third over Hutton branch. The bridge over the Frisco will cross at an angle of 36 deg. with the track and will consist of eleven 46-ft. I-beam spans, supported on steel pile abutment bents and concrete spot footing interior bents, resting on concrete foundation piling. The bridge over the Cotton Belt will cross the track at an angle of 89 deg. and will consist of one 60-ft. I-beam center span and two 50-ft. I-beam approach spans with a similar substructure. Both bridges will provide a 30-ft. roadway and two 2-ft. 6-in. sidewalks.

**SOUTHERN PACIFIC.**—A general contract for the construction of a new passenger station at Salinas, Cal., has been awarded Stanley H. Koller, Crockett, Cal. The new station will be 248 ft. long and 50 ft. wide and will have reinforced concrete exterior walls finished in stucco, with a brick veneer base. The interior and roof framing will be of wood. The roof covering will be of terra cotta tile and built-up roofing. The interior of the public rooms will have stucco walls, a timber truss ceiling and a decorative wainscot.

**SOUTHERN PACIFIC.**—The Bureau of Reclamation of the Department of the Interior, Sacramento, Calif., has advertised that bids will be received until July 23, for the furnishing and erection of steel water tanks and reservoir and a steel oil-storage tank on the Southern Pacific relocation between Redding, Calif., and Delta. The work includes the furnishing and erecting of two 200,000-gal., elevated, steel, water tanks for siding No. 1; one 200,000-gal., elevated, steel, water tank for siding No. 6; one 15,000-gal., elevated, steel, water tank for siding No. 2; one 15,000-gal., steel, water reservoir for siding No. 4; and one 15,000-barrel, steel, oil-storage tank for siding No. 1.

**STROUDS CREEK & MUDDLETY.**—This company has been authorized by Division 4 of the Interstate Commerce Commission to construct an extension of its main line from the terminus at Delphi station, W. Va., westerly to a point on Muddlety Creek, four miles.

## Supply Trade

### A. C. F. Issues Annual Report

The American Car & Foundry Co. in its forty-second report for the fiscal year ended April 30, 1941 reports net earnings of \$5,161,130, after all charges including interest, depreciation, amortization, repairs and provision for estimated income and excess profits taxes. This compares with a net loss of \$10,777 for the previous fiscal year. Gross sales during the period aggregated \$67,192,012 or a gain of \$31,396,922 over sales of \$35,795,090 in the preceding fiscal year. Federal income taxes for the year were estimated at \$2,127,927 as compared with \$209,418 last year. Total current assets of the company and wholly-owned subsidiaries amounted to \$46,283,860 including cash of \$10,464,221, against total current liabilities of \$25,882,101.

In his report, Charles J. Hardy, president of the company stated "With a carry over from the previous year of approximately \$22,000,000 of unfinished orders for products of different kinds there was produced and delivered during the year work having a sales value of more than \$67,000,000. At the close of the year the dollar value of orders booked and then unfinished was in excess of \$140,000,000. Since then, and notwithstanding deliveries made since the year's close, we have on the books work, the greater part of which is scheduled for delivery during the fiscal year now current, with a dollar value of upward of \$170,000,000."

**T. H. Murphy** has been appointed superintendent of Diesel power of the **American Locomotive Company** with headquarters at Schenectady, N. Y. Mr. Murphy graduated from the University of Virginia with a degree in electrical engineering in 1923. From 1923 to 1924, he worked on the special test course and attended the engineering school of the Westinghouse Electric & Manufacturing Co., subsequently entering that company's railway engineering department. From 1926

Co. in connection with Diesel locomotive work, where he remained until 1936. In October, 1936, after a few months of shop engineering development work at the Weirton Steel Company, he entered the employ of the American Locomotive Company, where he engaged in special work on Diesel locomotives in the engineering department at that company's New York office. Mr. Murphy was transferred to the Schenectady, N. Y. plant early in 1941.

**John S. Hutchins**, who has been in charge of sales in the Chicago district for the **Ramapo Ajax** division of the **American Brake Shoe and Foundry Company**, New York, has been promoted to district sales manager for this division in

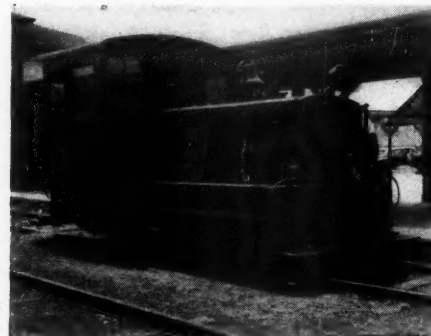


John S. Hutchins

charge of the entire middle west territory, with headquarters at Chicago, to succeed Paul Hoffman, retired. Mr. Hutchins was born at Arlington, Mass., on December 30, 1904, and after attending Yale University, entered the employ of Ramapo Ajax at Chicago in September, 1925. Two years later he was transferred from the plant to the sales department and in 1930 was moved to the Cleveland office. In 1933 he was placed in charge of sales in the Chicago district.

### OBITUARY

**R. J. Calder**, president of International Creosoting & Construction Company, Galveston, Texas, died on June 28 at Boerne, Texas.



This Light Gasoline-Mechanical Locomotive Does Work on Short-Radius Curves for the Pennsylvania-Reading Seashore Lines at Wildwood, N. J. Before 1931 It Was Owned and Operated by the Wildwood & Delaware Bay Short Line. Since Absorbed by the Pennsylvania-Reading

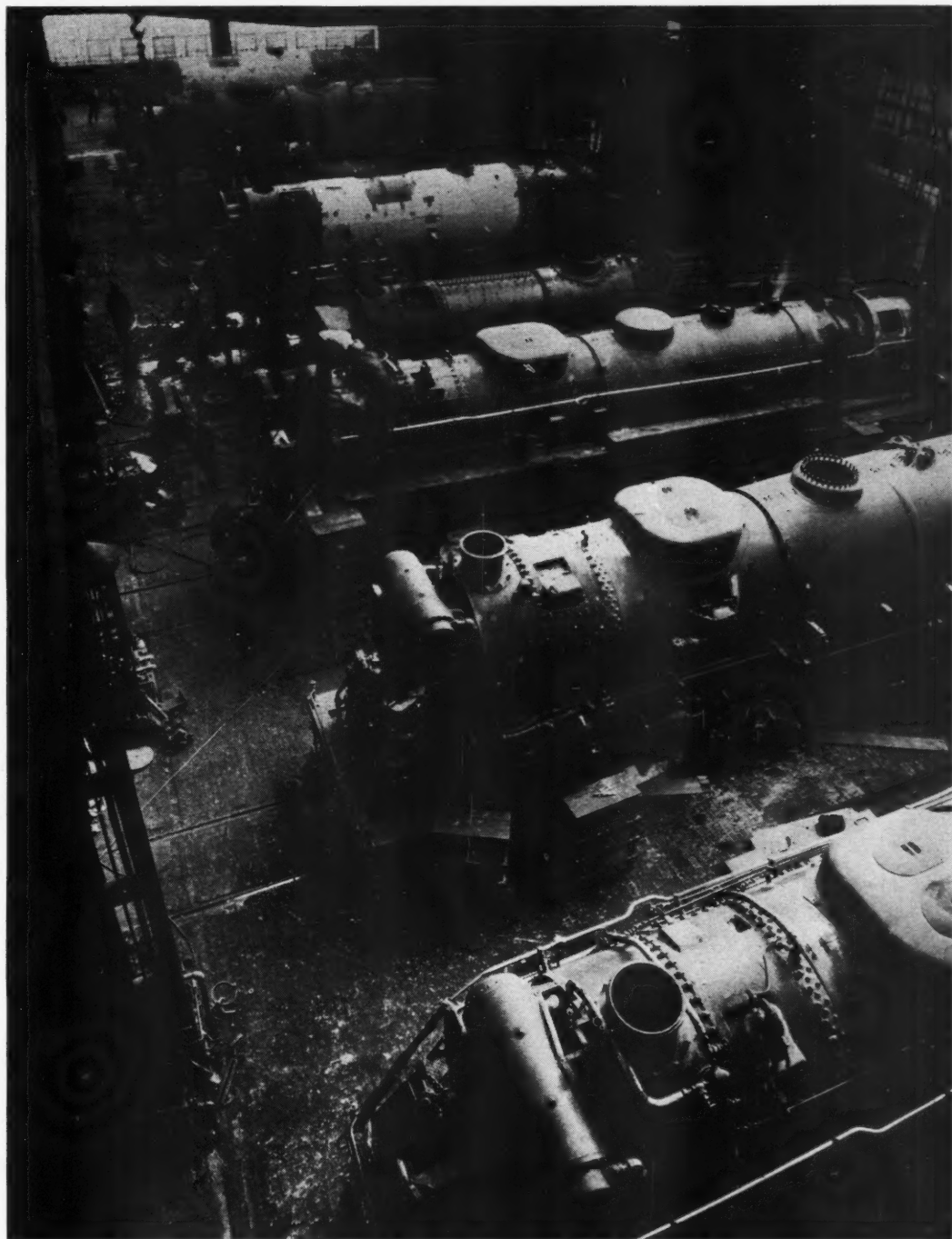


T. H. Murphy

to 1927 he acted as special engineering representative at the J. G. Brill plant at Philadelphia, Pa. Later, he was stationed at the South Philadelphia plant of the Westinghouse Electric & Manufacturing



## THE STEAM LOCOMOTIVE . . .



The steam locomotive provides maximum power at any required speed with unequalled flexibility of operation and can be purchased and maintained at less cost than any other forms of prime mover.



LIMA LOCOMOTIVE WORKS INCORPORATED, LIMA, OHIO

## Equipment and Supplies

### Equipment Orders Set New Records

29,799 freight cars ordered in June, and 92,559 in first six months

Continuing heavy throughout the month, orders for freight cars placed in June reached relatively huge proportions, totaling 29,799 cars. Thus in this single month were more cars purchased than in any of the full years 1931 to 1935 inclusive, or in 1938. Thus also was marked the third successive month this year in which the volume of orders has established a new high peak for the current buying wave that began in June of last year. There were 19,221 cars purchased in May of this year and 16,091 cars in April. Freight car orders for the second quarter thereby reached the impressive total of 65,111 cars, or more than were placed in any of the full years 1930 to 1940 inclusive. This compares also with 27,448 cars ordered in the first three months of the year.

Totals of equipment purchased for domestic service, as reported in the *Railway Age* in the month of June, together with comparisons with the preceding month of May and the corresponding month of June last year follow:

June Orders Compared			
	June 1941	May 1941	June 1940
Locomotives:			
Steam .....	55	28	16
Diesel-electric .....	70	73	16
Electric .....	15	..	1
Total .....	140	101	33
Freight Cars .....	29,799	19,221	6,953
Passenger Cars .....	82	32	21

Of the 140 locomotives ordered in June, the railroads purchased 133, comprising 55 steam, 63 Diesel-electric and 15 electric, and the United States Army and Navy the remaining seven Diesel-electric units. The 63 Diesel locomotives purchased by the railroads included three of 5,400 hp.; two of 4,000 hp.; one of 2,700 hp.; 12 of 2,000 hp.; 14 of 1,000 hp.; 23 of 660 or 600 hp.; and eight of less than 600 hp. All seven units purchased by the Army and Navy were of less than 600 hp. Noteworthy steam locomotive purchases included fifteen 4-8-2s by the New York Central, fifteen 2-8-4s by the Nickel Plate, ten 4-8-4s by the Nashville, Chattanooga & St. Louis and fifteen N-3 type units by the Great Northern. The Pennsylvania ordered 15 electric passenger and freight locomotives from its own shops. Leading Diesel-electric purchases included three 5,400 hp. freight locomotives by the Western Pacific; nine 2,000 hp. passenger units by the Atlantic Coast Line; three freight units and 15 switchers by the Great Northern and 15 switchers by the New York Central.

Of the 29,799 freight cars ordered in June, 13,145 were placed with the railroads' own shops and 16,654 with car builders. Purchases chiefly comprised 17,580 box

### Domestic Equipment Orders Reported in Issues of the Railway Age in June 1941

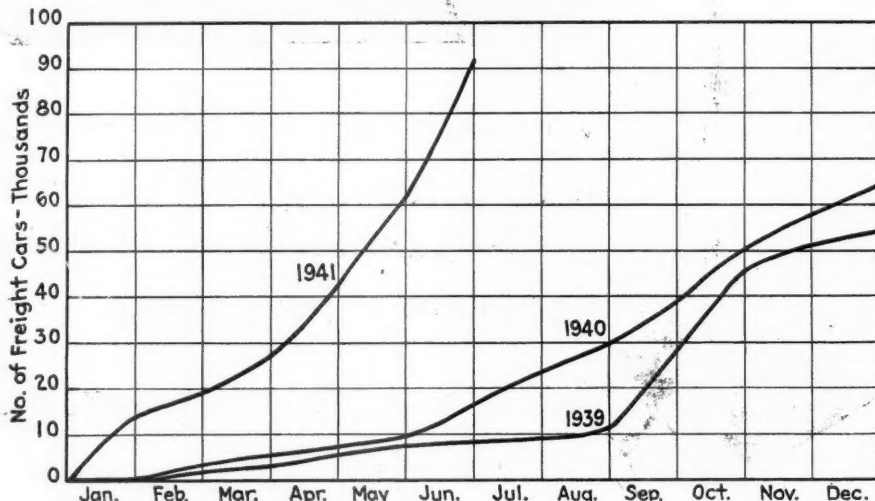
#### LOCOMOTIVES

Date	Name of Company	No.	Type	Builder
June 7	New York Central .....	15	4-8-2 Frt.	American Locomotive Co.
June 14	U. S. War Dept. ....	5	Diesel-electric Sw.	General Electric Co.
June 14	Atlantic Coast Line .....	9	Diesel-electric Pass.	Electro-Motive Corp.
June 14	Alabama, Tennessee & Northern	1	Diesel-electric Sw.	General Electric Co.
June 14	Western Pacific .....	3	Diesel-electric Frt.	Electro-Motive Corp.
June 14	New York, Chicago & St. Louis	15	2-8-4 Frt.	Lima Locomotive Works
June 14	Louisville & Nashville .....	4	Diesel-electric Sw.	Baldwin Locomotive Works
		4	Diesel-electric Sw.	American Locomotive Co.
		4	Diesel-electric Sw.	Electro-Motive Corp.
June 14	Nashville, Chattanooga & St. Louis	10	4-8-4	American Locomotive Co.
June 14	New York Central .....	7	Diesel-electric Sw.	Electro-Motive Corp.
		1	Diesel-electric Sw.	Baldwin Locomotive Works
June 21	Pennsylvania .....	7	Diesel-electric Sw.	General Electric Co.
June 21	U. S. Navy Dept. ....	15	Electric Pass. & Frt.	Company Shops
June 21	Great Northern .....	2	Diesel-electric Sw.	General Electric Co.
		15	N-3	Company Shops
		11	Diesel-electric Sw.	Electro-Motive Corp.
		2	Diesel-elec. Rd. & Sw.	Electro-Motive Corp.
		3	Diesel-electric Frt.	Electro-Motive Corp.
		2	Diesel-electric Sw.	Baldwin Locomotive Works
		3	Diesel-electric Pass.	Electro-Motive Corp.
June 28	Florida East Coast .....			
June 28	New York, Susquehanna & Western	2	Diesel-electric Sw.	American Locomotive Co.

#### FREIGHT CARS

June 7	Northern Pacific .....	1,350	Box	American Car & Foundry Co.
		150	Box	Company Shops
		200	Rodger Ballast	American Car & Foundry Co.
		500	Box	Pullman-Standard
June 7	Great Northern .....	1,000	Box	Pullman-Standard
		500	Box	Pressed Steel Car
		500	Box	General American
June 7	Maine Central .....	10	Cov. Hopper	American Car & Foundry Co.
June 7	Delaware & Hudson .....	35	Gondola	American Car & Foundry Co.
June 7	Erie .....	5	Flat	Greenville Steel Car
June 7	Lehigh & New England .....	300	Hopper	Pressed Steel Car
June 7	Western Pacific .....	350	Box	Mt. Vernon
		300	Flat	Mt. Vernon
June 7	Chicago, Rock Island & Pacific	800	Box	Pressed Steel Car
June 7	Missouri Pacific .....	50	Cov. Hopper	Mt. Vernon
		200	Automobile	Mt. Vernon
		800	Box	American Car & Foundry Co.
June 7	Lehigh Valley .....	500	Gondola	Bethlehem Steel Co.
		400	Box	Pressed Steel Car
June 7	Western Maryland .....	100	Auto-box	American Car & Foundry Co.
		200	Box	Pressed Steel Car
		300	Hopper	Bethlehem Steel Co.
		200	DE Gondola	Greenville Steel Car
		25	Flat	Greenville Steel Car
June 14	Chicago, Burlington & Quincy.	300	Flat	Company Shops
		500	Hopper	Company Shops
		200	Stock	Company Shops
		70	MT Gondola	Company Shops
		50	Cov. Hopper	Company Shops
		2,000	Box	Company Shops
		175	Automobile	Company Shops
		100	Flat	Company Shops
		30	MT Gondola	Company Shops
		500	Box	Company Shops
June 14	Ft. Worth & Denver City .....	500	Box	Company Shops
June 14	Midland Valley .....	5	Box	Mt. Vernon
June 14	Norfolk & Western .....	1,000	Hopper	Virginia Bridge Co.
		500	Hopper	Bethlehem Steel Co.
June 14	Elgin, Joliet & Eastern .....	250	SD Hopper	American Car & Foundry Co.
		250	SD Hopper	Ralston Steel Car
June 14	Wabash .....	1,000	Box	Company Shops
June 14	Gulf, Mobile & Ohio .....	850	Box	American Car & Foundry Co.
		150	Twin Hopper	American Car & Foundry Co.
June 21	Pennsylvania .....	50	Caboose	Company Shops

Number of Freight Cars Ordered for Domestic Service  
Cumulative Data



Source: Railway Age Equipment & Supplies reports

Continued on next left-hand page





### JAMES RIVER BRIDGE RICHMOND, VA.

This concrete arch bridge, which is one of the famous arch bridges of the country, was started in June, 1917, and placed in operation June, 1919. It is 2,278 feet long and is composed of three 122 ft. arches, twelve 116 ft. arches, three 60 ft. arches and two 35 ft. arches. The height from the foundation level to the top of the coping is 98 feet. This bridge is jointly owned by the Atlantic Coast Line Railroad and the Richmond Fredericksburg and Potomac Railroad and carries the main line

traffic of the ACL to its connection with the RF&P at Richmond.

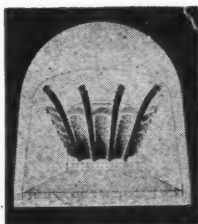
\* \* \* \* \*

32 years ago American Arch Company engineers introduced to the American railroads the first Security Sectional Arch. Throughout the intervening years the design has been constantly improved upon by American Arch engineers to keep pace with the ever changing locomotives and is today the standard of American Railroads.

*There's More to SECURITY ARCHES Than Just Brick*

**HARBISON-WALKER  
REFRACTORIES CO.**

***Refractory Specialists***



**AMERICAN ARCH CO.  
INCORPORATED**

60 EAST 42nd STREET, NEW YORK, N. Y.

***Locomotive Combustion  
Specialists***

Date	Name of Company	No.	Type	Builder
June 21	Pennsylvania .....	2,700	Hopper	Company Shops
		2,000	Box	Company Shops
		1,000	Gondola	Company Shops
		300	Cov. Hopper	Company Shops
		10	Flat	Company Shops
		10	Well	Company Shops
June 21	U. S. Army & Navy Munitions Board (Louisville Ordnance Division) .....	4	Flat	Greenville Steel Car
June 21	Chicago & Eastern Illinois .....	500	Box	Mt. Vernon
June 21	Wabash .....	15	Cement	General American
June 21	New York Central .....	1,000	Box	Despatch Shops, Inc.
		500	Gondola	Despatch Shops, Inc.
June 28	Chesapeake & Ohio .....	1,000	Hopper	American Car & Foundry Co.
		1,000	Box	Pullman-Standard
June 28	Cambria & Indiana .....	400	Hopper	Bethlehem Steel Co.
June 28	Reading .....	500	Gondola	Bethlehem Steel Co.
June 28	Central of Georgia .....	150	Automobile	American Car & Foundry Co.
		50	Box	Pullman-Standard
June 28	New York, Chicago & St. Louis .....	1,000	Box	General American
June 28	Litchfield & Madison .....	50	Hopper	General American
June 28	Norfolk & Western .....	25	Gondola	Ralston Steel Car
June 28	Chicago, Rock Island & Pacific .....	200	Gondola	American Car & Foundry Co.
June 28	Akron, Canton & Youngstown .....	100	CD Hopper	Bethlehem Steel Co.
		30	Gondola	Bethlehem Steel Co.

## PASSENGER-TRAIN CARS

June 14	Western Pacific .....	4	Chair	Edward G. Budd Mfg. Co.
June 14	Chicago, Indianapolis & Louisville .....	7	Baggage	St. Louis Car
June 14	Atlantic Coast Line .....	8	Coach	Edward G. Budd Mfg. Co.
		2	Observation	Edward G. Budd Mfg. Co.
		3	Diner	Edward G. Budd Mfg. Co.
		3	Passenger-baggage	Edward G. Budd Mfg. Co.
June 28	Atchison, Topeka & Santa Fe .....	7	Storage-mail	Edward G. Budd Mfg. Co.
		8	Diner	Edward G. Budd Mfg. Co.
		6	Club-lounge	Edward G. Budd Mfg. Co.
		16	Chair	Edward G. Budd Mfg. Co.
June 28	Pennsylvania .....	12	Coach	Edward G. Budd Mfg. Co.
June 28	Florida East Coast .....	3	Coach	Edward G. Budd Mfg. Co.
		1	Observation	Edward G. Budd Mfg. Co.
		1	Diner	Edward G. Budd Mfg. Co.
		1	Passenger-baggage	Edward G. Budd Mfg. Co.

cars, 8,125 hopper cars and 3,090 gondola cars. Included in June orders were sizeable programs placed by the Pennsylvania and the Chicago, Burlington & Quincy with their own shops, delivery of the main part of which is not expected to begin until 1942. The Pennsylvania will build 6,020 cars of various types and 50 cabooses, and the Burlington 4,425 cars, comprising 3,295 for its own use, 630 for the Colorado & Southern and 500 for the Ft. Worth & Denver City. Other large orders placed in June include 2,200 cars by the Northern Pacific, 2,000 each by the Great Northern and the Chesapeake & Ohio, 1,525 by the Norfolk & Western and 1,500 by the New York Central.

Orders for 82 passenger-train cars in June were the second largest monthly volume of such cars placed this year and were made up chiefly of 37 cars ordered by the Atchison, Topeka & Santa Fe, and a total of 34 cars, 12 by the Pennsylvania, 16 by the Atlantic Coast Line and six by the Florida East Coast, destined for use in the through New York to Florida service operated jointly by these companies.

## Equipment Orders—First Six Months

Volume of equipment orders placed during the first six months of this year and a comparison with corresponding six months of last year is shown hereunder:

	First six months		
	1941	1940	Increase
Locomotives:			
Steam .....	208	89	119
Diesel-electric .....	426	150	276
Electric .....	26	2	24
Total .....	660	241	419
Freight Cars .....	92,559	16,221	76,338
Passenger Cars .....	442	63	379

*Railway Age* totals as used in these comparisons include purchases by the railroads, industrial companies and the United States Government. A break-down of the 660 lo-

comotives ordered during the first six months follows:

	First six months locomotive orders			
	Steam	D.-E.	Elec.	Total
Railroads .....	197	316	26	539
Industries .....	5	35	..	40
U. S. Gov't. ....	6	75	..	81
Total .....	208	426	26	660

A further analysis by horsepower of the Diesel-electric, gas-electric and other internal-combustion type locomotives ordered thus far this year follows:

	Diesel-Locs.—First Six Mos., 1941			
	R.R.'s	Indus-tries	U.S. Gov't.	Total
Horsepower:				
5400 .....	12	..	..	12
4000 .....	15	..	..	15
2700 .....	1	..	..	1
2000 .....	28	..	..	28
1000 .....	91	1	..	92
600 or 660 .....	97	4	..	101
Less than 600 .....	72	30	75	177
Total .....	316	35	75	426

Freight car purchases in the first six months were allocated 29,125 to the railroads' own shops and 63,434 to car builders. More than 60 per cent of the number ordered were box cars. Purchases comprised:

57,178 box
18,459 hopper
11,735 gondola
1,385 refrigerator
2,333 flat
500 stock
234 miscellaneous
735 caboose

## Freight Car Orders Up Sharply

Needless to say, the volume of freight car orders placed during the first six months of this year dwarfs the number placed in any corresponding six months in the 1929-1941 cycle, the current base period of *Railway Age* equipment comparisons. In the 12 months ended June 30, 1941, there have been ordered a total of 141,209 freight cars,

an increase of 79,159 cars over the corresponding 12 months ended June 30, 1940, and a larger volume than placed in any calendar year since the 143,728 cars ordered in 1924. The accompanying chart manifests the steady and heavy monthly purchases now taking place and contrasts the volume ordered in preceding years.

## LOCOMOTIVES

THE UNITED STATES NAVY, BUREAU OF SUPPLIES AND ACCOUNTS, has ordered two Diesel-electric switching locomotives from the Vulcan Iron Works. The inquiry for this equipment was reported in the *Railway Age* of June 21.

THE SEABOARD AIR LINE has placed orders for 13 Diesel-electric locomotives—allocating three 5400-hp. freight locomotives, two 2000-hp. passenger locomotives and two 1000-hp. switchers to the Electro-Motive Corp.; three 1000-hp. switchers to the Baldwin Locomotive Works, and three 1000-hp. switchers to the American Locomotive Co.

THE UNITED STATES ARMY, Jefferson Proving Ground, Madison, Ind., has ordered two 70-ton Diesel-electric switching locomotives from the Vulcan Iron Works. The inquiry for this equipment was reported in the *Railway Age* of June 14.

## FREIGHT CARS

## Southern Pacific Buys 4,000 Cars

The Southern Pacific has placed orders for a total of 4,000 freight cars of various types, the inquiry for which was reported in the *Railway Age* of May 31. This brings to 6,554 the number of freight cars purchased by this road so far this year. The 4,000 cars were allocated as follows:

700 40½-ft. 50-ton box cars—Pressed Steel Car Company.
700 40½-ft. 50-ton box cars—Pullman-Standard Car Manufacturing Co.
700 40½-ft. 50-ton box cars—American Car & Foundry Co.
500 50½-ft. 50-ton box cars—Mt. Vernon Car Manufacturing Co.
700 50-ton gondola cars—Bethlehem Steel Company.
150 70-ton hopper cars—American Car & Foundry Co.
300 70-ton flat cars—Pacific Car & Foundry Co.
200 12,000 gal. tank cars—General American Transportation Corp.
50 8,000 gal. tank cars—General American Transportation Corp.

THE NEW YORK, CHICAGO & ST. LOUIS has ordered 250 50-ton hopper cars from the American Car & Foundry Co.

THE CLINCHFIELD has ordered five steel covered hopper cars of 70-tons' capacity and seven cabooses from the American Car & Foundry Company.

THE NEW YORK, CHICAGO & ST. LOUIS has ordered 900 box cars from the General American Transportation Corporation, instead of 1,000 as reported in the *Railway Age* of June 28.

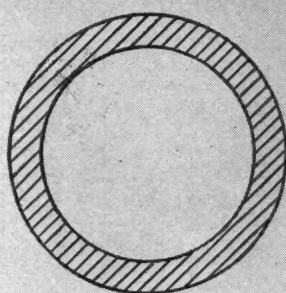
THE NATIONAL RAILWAYS OF MEXICO have ordered 1,000 40-ft. 6-in. box cars of 50 tons' capacity from the Magor Car Corporation.

THE SEABOARD AIR LINE has placed orders for a total of 750 freight cars of various types the inquiry for which was

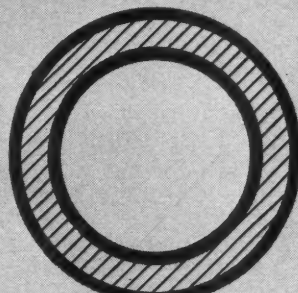
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# PROPER RECONDITIONING OF SUPERHEATER UNITS . . . is vital to efficiency



Correct Shape  
Full Area = 1.14 sq. in.



$\frac{1}{16}$ " Welding  
Effective Area = 0.9144 sq. in. =  
80.2 Per Cent of Correct Area

$1\frac{1}{2}$ -in. o. d. Units. #9 B. w. g. thick

Superheater units as they come to the railroad as a part of a new locomotive or ready for application to an existing engine, represent the best skill known to the steel maker's art in the production of tubing and the manufacturer's art in their fabrication.

They are designed to exacting specifications for the highest superheating efficiency and to withstand the severity of the operating conditions to which they are exposed, such as high-temperature gases and steam, high-pressure steam, and the cutting action of cinder-laden gases.

In time naturally they wear out and

become unserviceable, as do fire-boxes and other boiler parts exposed to similarly severe conditions. The part they play in the efficient operation of the locomotive, the dependence on them for the safety and reliability of locomotive operation—make it imperative that they be either replaced or reconditioned by means proved to be satisfactory.

Through the Elesco unit remanufacturing service, they can be restored to a condition practically equal to new units—at a cost of about half that for new units. As your locomotives are shopped it will pay you to have the superheater units REmanufactured.

## The SUPERHEATER Company

★ ★ ★ ★ ★ ★ ★ ★  
SUPERHEATERS • • FEEDWATER HEATERS  
AMERICAN THROTTLERS • • STEAM DRYERS  
EXHAUST STEAM INJECTORS • PYROMETERS



★ ★ ★ ★ ★ ★ ★ ★  
Representative of AMERICAN THROTTLE COMPANY, INC.  
60 East 42nd St., NEW YORK • 122 S. Michigan Ave., CHICAGO  
Montreal, Canada: THE SUPERHEATER COMPANY, LTD.

reported in the *Railway Age* of June 14. The cars were allocated as follows:

500 50-ton, all steel double door box cars—Pullman-Standard Car Manufacturing Co.  
100 50-ton, all steel flat cars—Greenville Steel Car Company  
100 70-ton, all steel hopper cars—Bethlehem Steel Company  
50 70-ton, cement cars—Greenville Steel Car Company

THE FLORIDA EAST COAST has ordered 30 gondola cars and 30 hopper cars from the American Car & Foundry Co.

## Financial

**ATLANTIC COAST LINE.—Abandonment.**—This company has asked the Interstate Commerce Commission for authority to abandon a line extending from Cutlers, Fla., to Homosassa, six miles.

**ATLANTIC COAST LINE.—Abandonment.**—This company has asked the Interstate Commerce Commission for authority to abandon the following lines:

1. From Micanopy, Fla., to Tacoma, five miles; and 2. From Bishopville, S. C., to Lucknow, 7.1 miles.

**BALTIMORE & OHIO.—Abandonment by the Belington & Northern.**—The Belington & Northern has asked the Interstate Commerce Commission for authority to abandon and remove its line extending from Belington, W. Va., to the end of the line, 1.2 miles. At the same time the Baltimore & Ohio has asked the commission for authority to abandon operation of the line of the Belington & Northern and also for authority to abandon operation over 0.2 mile of track owned by the Western Maryland in Belington, W. Va.

**BEVIER & SOUTHERN.—Deficit Status.**—Division 4 of the Interstate Commerce Commission has found that this company earned a net railway operating income in excess of 5¼ per cent per year on the value of its property and is not entitled to reimbursement under the provisions of section 204 of the Transportation Act of 1920, as amended January 7, 1941, for any losses suffered during the period of federal control. Division 4 found that the period of private operation was 21.29 months, which would entitle the company to earn income at the rate of 10.20 per cent for the period, whereas it earned at the rate of 11.20 per cent. An order was entered dismissing the carrier's claim.

**CHICAGO, ROCK ISLAND & PACIFIC.—Abandonment by the Choctaw, Oklahoma & Gulf.**—The Choctaw, Oklahoma & Gulf and the Chicago, Rock Island & Pacific, respectively, have asked the Interstate Commerce Commission for authority to abandon a line and the operation thereof extending from Tecumseh Junction, Okla., to Asher, 25.2 miles.

**CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA.—Equipment Trust Certificates and R. F. C. Financing.**—Division 4 of the Interstate Commerce Commission has approved a plan whereby this company will issue and sell to the Reconstruction Fi-

nance Corporation \$1,680,000 of 2½ per cent equipment trust certificates, maturing in 15 equal annual installments of \$112,000 on July 1 in each of the years from 1942 to 1956, inclusive.

**CHICAGO UNION STATION.—Bonds.**—This company has been authorized by Division 4 of the Interstate Commerce Commission to issue and sell \$6,860,000 of guaranteed serial bonds to provide funds for the retirement of a like amount of its 3½ per cent guaranteed bonds, now outstanding. The bonds will bear rates of interest for the several maturities varying from 0.7 per cent for the January 1, 1943, maturity to 2.1 per cent for the last three maturities, and will mature in 20 equal semiannual installments of \$343,000 beginning January 1, 1942, and ending July 1, 1951. The bonds have been sold at 100.036 to the Central Republic Company, and its eight associates, making the average annual cost to the company approximately 1.832 per cent.

At the same time Division 4 authorized the proprietary companies using the station, the Chicago, Burlington & Quincy; the Chicago, Milwaukee, St. Paul & Pacific; the Pennsylvania and its subsidiary, the Pittsburgh, Cincinnati, Chicago & St. Louis, to guarantee the principal and interest on the bonds.

**DENVER & RIO GRANDE WESTERN.—Abandonment.**—The Brotherhoods' Rail Service Organization has asked the Interstate Commerce Commission to reopen for rehearing and reargument the decision of Division 4 wherein it authorized this company to abandon its narrow-gauge line extending from Antonito, Colo., to Santa Fe, N. Mex.

After citing the fact that a Senate interstate commerce subcommittee recently advised the commission to deny the abandonment authority, the petition goes on to say that "there exist radically different conditions, brought about by the sudden revival of commerce and the strain of transportation systems by the unlimited national emergency, which did not exist at the time of the commission's hearing in June, 1940."

If the rehearing is granted, the brotherhoods desire that sessions be held at Alamosa, Colo., and Santa Fe, N. Mex.

**DENVER & SALT LAKE WESTERN.—Ratification of Trustee.**—H. Allyn Hicks, Jr. has asked the Interstate Commerce Commission to ratify his appointment as trustee of this company during reorganization proceedings under section 77 of the Bankruptcy Act.

**GULF, MOBILE & OHIO.—Equipment Trust Certificates.**—This road has awarded a \$2,175,000 issue of equipment trust certificates to Harris, Hall & Co. and Gregory & Son on a bid of 100.046 for 2.4s. The certificates were re-offered to the public at prices to yield 0.40 to 2.75 per cent, according to maturity. Certificates are due August 1, 1942 to 1956, inclusive.

**LAKESIDE & MARBLEHEAD.—Deficit Status.**—Division 4 of the Interstate Commerce Commission has found that this company earned a net railway operating income in excess of 5¼ per cent per year on the value of its property and is not entitled

to reimbursement under the provisions of section 204 of the Transportation Act of 1920, as amended January 7, 1941, for any losses suffered during the period of federal control. Division 4 found that the period of private operation was 20.2 months, which would entitle the company to earn income at the rate of 9.68 per cent for the period, whereas it earned at the rate of 10.21 per cent. An order was entered dismissing the carrier's claim.

**ILLINOIS CENTRAL.—Equipment Trust Certificates.**—This road is inviting bids on or before July 9 for a \$6,920,000 issue of 2 per cent equipment trust certificates. The issue will be dated March 1 and will mature in 20 equal semi-annual installments beginning September 1, 1941.

**LOUISVILLE & NASHVILLE.—Abandonment.**—This company has asked the Interstate Commerce Commission for authority to abandon a line extending from Sheffield, Ala., to Tusculumbia, 2.3 miles.

**MISSOURI PACIFIC.—Reorganization Plan.**—The Interstate Commerce Commission's reorganization plan for the Missouri Pacific was approved by the federal court at St. Louis on June 20. The next step in the reorganization will be a vote on the plan by security owners and creditors.

**NORTHERN PACIFIC.—Abandonment.**—This company has been authorized by Division 4 of the Interstate Commerce Commission to abandon a portion of its so-called Green River branch extending northward from Kerriston Junction, Wash., to Kerriston, 8.7 miles.

**PENNSYLVANIA.—Bond Payment.**—On July 1, \$4,455,000 4½ per cent and \$918,000 2½ per cent first mortgage extended bonds of the Grand Rapids & Indiana, originally issued October 1, 1869, matured and were paid off by the Pennsylvania without resorting to new financing. This obligation constitutes the entire funded debt of the G. R. & I.

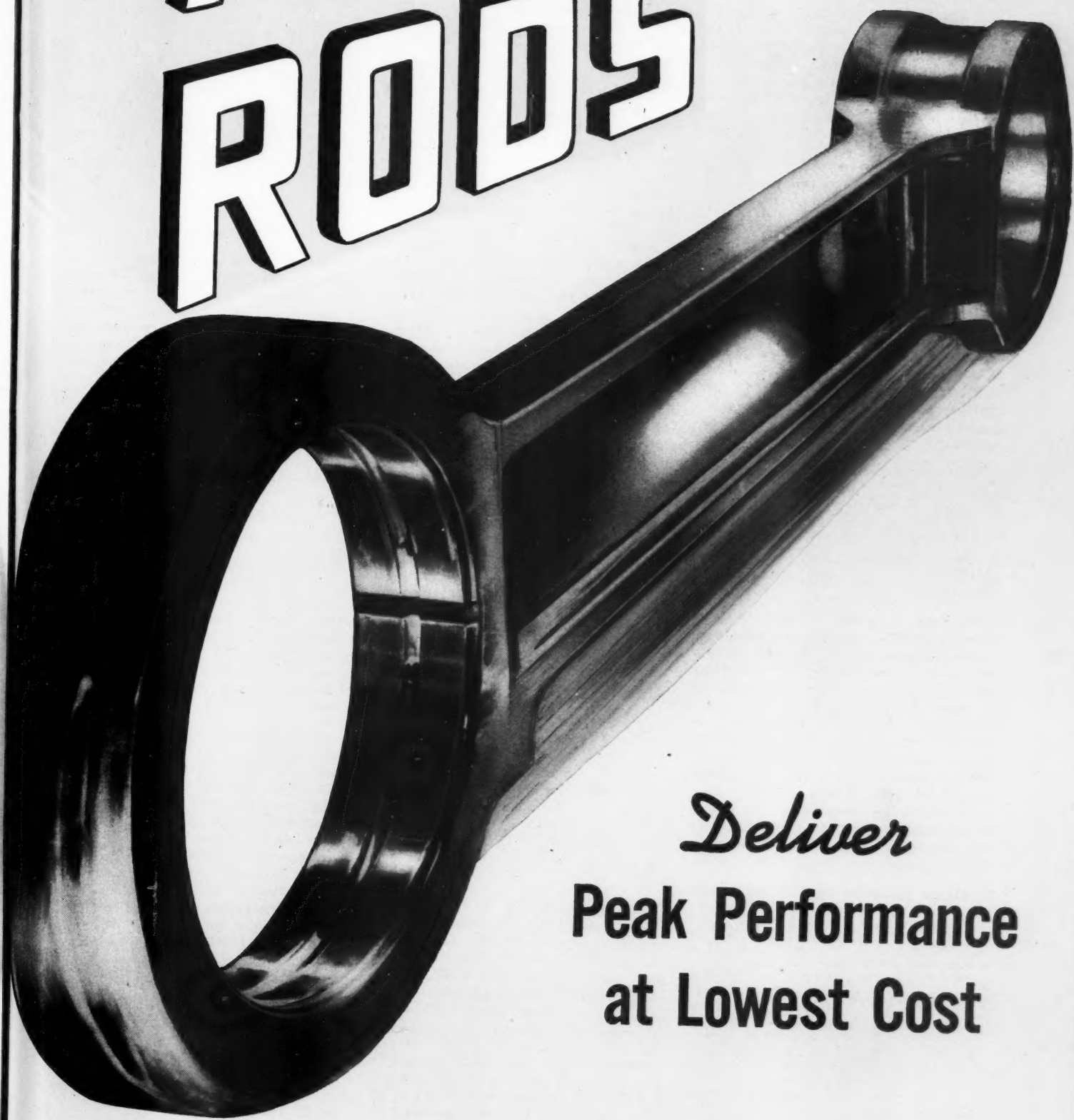
**SPOKANE INTERNATIONAL.—Reorganization.**—Reorganization managers for this road have filed with the federal district court for the Eastern district of Washington and the Interstate Commerce Commission petitions for approval of new securities and authority to carry out the plan of reorganization for the carrier which was approved by the court in March, 1940, and accepted by 100 per cent of the creditors entitled to vote in June, 1940. The plan, whereby holders of \$4,200,000 of bonds will take over the property, was described in the *Railway Age* of May 6, 1939, page 788.

**VIRGINIA & TRUCKEE.—Abandonment.**—This company has been authorized by Division 4 of the Interstate Commerce Commission to abandon a line extending from Carson City, Nev., to Virginia City, 21 miles.

**WESTERN MARYLAND.—Equipment Trust Certificates.**—This road awarded on June 20 an issue of \$1,900,000 of equipment trust certificates to a group composed of Salomon Brothers & Hutzler, Dick & Merle-Smith and Stroud & Co. on a bid of 100.38 for 2⅞s, representing an interest cost to



# ALCO RODS



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the carrier of 2.05. The certificates, which mature in one to ten years, were immediately re-offered publicly at prices to yield from 0.40 to 2.45 per cent, according to maturity.

**WESTERN MARYLAND.—Equipment Trust Certificates.**—This company has asked the Interstate Commerce Commission for authority to assume liability for \$1,900,000 of 2½ per cent equipment trust certificates, maturing in 10 equal annual installments of \$190,000 on August 1 in each of the years from 1942 to 1951, inclusive. The proceeds will be used as a part of the purchase price of new equipment costing a total of \$2,204,000 and consisting of 200 all-steel, 50-ton box cars with chilled iron wheels; 300 all-steel, 50-ton hopper coal cars, with one-wear steel wheels; 200 all-steel, 50-ton gondola cars with wood floors and chilled iron wheels; and 25 50-ton flat cars with chilled iron wheels.

The issue has been sold at 100.38 to Salomon Brothers & Hutzler, Dick & Merle-Smith, and Stroud & Co., Inc., of Philadelphia.

**WESTERN PACIFIC.—Equipment Trust Certificates.**—Salomon Brothers & Hutzler, Dick & Merle-Smith and Stroud & Co. were awarded, on June 30, a \$2,650,000 issue of equipment trust certificates of this road on a bid of 100.323 for 2s, representing an interest cost to the carrier of 1.94 per cent.

**WESTERN PACIFIC.—Equipment Trust Certificates.**—This road awarded a \$2,650,000 issue of equipment trust certificates on July 1 to Harriman Ripley & Co. and Drexel & Co. on a bid of 99.839 for 1½s, representing an interest cost to the carrier of 1.937. The certificates were not re-offered to the public.

**WESTERN PACIFIC.—Equipment Trust Certificates.**—This company has asked the Interstate Commerce Commission for authority to assume liability for \$2,650,000 of equipment trust certificates, maturing in 10 equal annual installments of \$265,000 on August 1 in each of the years from 1942 to 1951, inclusive. The proceeds will be used as part of the purchase price of new equipment costing a total of \$3,588,560 and consisting of three 5,400 h. p. Diesel-electric freight locomotives; 350 50-ton, 40 ft. box cars; 300 50-ton, 50 ft. flat cars; and four stainless steel-sheathed, streamlined chair cars.

#### Average Prices of Stocks and Bonds

	July 1	Last week	Last year
Average price of 20 representative railway stocks...	28.85	28.85	27.48
Average price of 20 representative railway bonds...	64.19	64.95	55.30

#### Dividends Declared

Atchison, Topeka & Santa Fe.—\$1.00, irregular, payable September 3 to holders of record July 31.  
 Norfolk & Western.—Common, \$2.50, quarterly, payable September 19 to holders of record August 30; Adjustment Preferred, \$1.00, quarterly, payable August 19 to holders of record July 31.  
 Piedmont & Northern.—50c, quarterly, payable July 21 to holders of record July 5.  
 Reading.—Common, 25c, payable August 14 to holders of record July 17; 4 Per Cent Non-Cumulative First Preferred, 50c, quarterly, payable September 11 to holders of record August 21; 2nd Preferred, 50c, quarterly, payable July 10 to holders of record June 28.

## Railway Officers

### EXECUTIVE

**E. L. King**, superintendent of the Portland division of the Southern Pacific, has been appointed assistant to the vice-president in charge of operations with headquarters as before at Portland, Ore.

**Harry Hardin Orr**, assistant superintendent and superintendent of signals and telegraph of the Chicago & Eastern Illinois, with headquarters at Danville, Ill., has been promoted to assistant to the president, with headquarters at Chicago. Mr. Orr was born at Ocala, Fla., on September 16, 1885, and graduated from Rose Polytechnic Institute, Terre Haute, Ind., in June, 1907. He entered railway service on June 17, 1907, as a draftsman and signal inspector for the C. & E. I. at Chicago and was later promoted to chief signal inspector. In October, 1916, he was advanced to signal engineer, with headquarters at Chicago, and on July 1, 1927, when the telegraph and signal departments of the C. & E. I. were consolidated, he was appointed superintendent of signals and



Harry Hardin Orr

telegraph. He was later promoted to assistant superintendent and superintendent of signals and telegraph, and also superintendent of telegraph, Western Union Telegraph Company. His promotion to assistant to the president was effective July 1.

**Clinton A. Veale**, whose promotion, effective July 1, to vice-president and general manager of the Northwestern Pacific and of the Petaluma & Santa Rosa, with headquarters at Sausalito, Calif., was reported in the *Railway Age* of June 14, was born at Oshawa, Ont., on November 23, 1886, and took technical training in accounting and electrical engineering. He entered railway service on January 12, 1903, as a maintainer in the signal department of the Southern Pacific at Los Angeles, Calif., later serving as a construction foreman, signal clerk and assistant signal supervisor. In 1914 he was advanced to signal supervisor of the Tucson division and in 1918 he was transferred to the Los

Angeles division. In 1920, Mr. Veale was transferred to the operating department at Oakland Pier, Calif., as assistant train-



Clinton A. Veale

master on the suburban electric lines, later being promoted to trainmaster. In 1930 he was promoted to assistant superintendent and in 1933 he was assigned to the staff of the vice-president at San Francisco, Calif., for studies on rail service in connection with the proposed San Francisco-Oakland Bay bridge. On January 1, 1938, Mr. Veale was appointed executive assistant in the president's office at San Francisco, and in May, 1939, he was also appointed vice-president of the Interurban Electric Railway.

### FINANCIAL, LEGAL AND ACCOUNTING

**F. G. Millen**, assistant treasurer of the Canadian Pacific, with headquarters at Montreal, Que., retired on June 30, after more than 50 years of service. **T. H. Moffitt**, assistant local treasurer at Winnipeg, Man., has been promoted to assistant treasurer at Montreal, succeeding **A. E. H. Chesley**, who will take over the duties formerly performed by Mr. Millen.

**F. J. Nardi**, general accountant of the Illinois Central, has been promoted to assistant to the vice-president in charge of accounting, a newly created position, with headquarters as before at Chicago. **F. E. Martin**, auditor of disbursements, has been promoted to general auditor, also a newly created position, and **K. H. Lyrla**, statistician, has been advanced to auditor of disbursements, succeeding Mr. Martin. **G. O. Henricson**, general bookkeeper, has been promoted to general accountant, replacing Mr. Nardi.

**Marcus O. Ulsaker**, whose promotion to freight claim agent on the Great Northern, with headquarters at Seattle, Wash., was reported in the *Railway Age* of June 14, was born at Aberdeen, S. D., on March 17, 1890, and attended St. Olaf College, Northfield, Minn., in 1906 and 1907. He entered railway service on October 23, 1908, as an office boy in the freight claim department at St. Paul and was promoted through various positions to chief clerk of that department in 1917. Later that year he was appointed traveling representative.



From July 22, 1918, to July 3, 1919, he was on a leave of absence for service in the U. S. Army, returning to the Great Northern on the latter date as traveling representative of the freight claim department, which position he held until his recent promotion.

## OPERATING

**A. R. McLeod**, assistant superintendent on the Canadian Pacific at Brownville Junction, Me., has been transferred to the Laurentian division at Montreal, Que., succeeding **J. R. Kimpton**, promoted.

**John T. Martin**, superintendent of shops and equipment of the Indiana Railroad, has been appointed general manager, with headquarters as before at Indianapolis, Ind.

**N. B. Eddlestone** has been appointed manager of the Interurban Electric Railway Company, with headquarters at Bridge Yard, Calif., succeeding **S. L. Dolan**, transferred.

**W. T. Cummins**, trainmaster on the Cincinnati division of the Louisville & Nashville at Latonia, Ky., has been promoted to assistant superintendent of the Evansville division, succeeding **W. W. Wright**, who has retired. **F. W. Kirchner**, assistant trainmaster at Latonia, has been advanced to trainmaster at that point, relieving Mr. Cummins.

**C. P. Blair**, trainmaster on the Pocahontas division of the Norfolk & Western, with headquarters at Bluefield, W. Va., has been promoted to assistant superintendent of the Scioto division, with headquarters at Portsmouth, Ohio, succeeding **J. F. McMullan**, who retired on July 1. **O. H. Carter**, assistant trainmaster on the Pocahontas division, has been advanced to trainmaster at Bluefield, replacing Mr. Blair. **H. C. Hall**, general yardmaster at Eckman, W. Va., succeeds Mr. Carter as assistant trainmaster at Bluefield.

**C. D. Love**, whose promotion to superintendent of the Louisville division of the Louisville & Nashville at Louisville, Ky., was reported in the *Railway Age* of June 21, was born at Knoxville, Tenn., and attended the University of Cincinnati. He entered railway service in November, 1909, as a laborer in the mechanical department of the L. & N. at Knoxville, later being advanced to machinist apprentice. After completing his apprenticeship at Knoxville at Etowah, Tenn., he was appointed machinist at the latter point and was later transferred to Covington, Ky. In the spring of 1919 Mr. Love was promoted to assistant roundhouse foreman and several months later he was transferred to DeCoursey, Ky. On February 1, 1925, he was promoted to assistant master mechanic with jurisdiction over the shops at both DeCoursey and Covington and on June 15, 1931, he was advanced to master mechanic, with headquarters at Nashville, the position he held until his recent promotion.

**Arthur M. Umshler**, superintendent of the Chicago Terminal division of the Illinois Central with headquarters at Chicago,

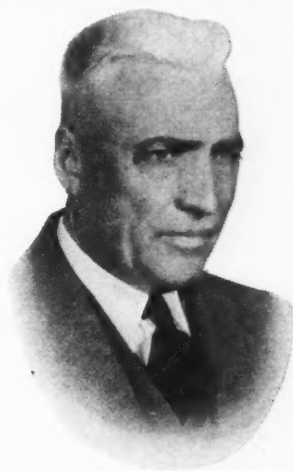
whose retirement on July 1, because of ill health, was reported in the *Railway Age* of June 28, was born at West Point, Ill., on September 21, 1874, and entered railway service in June, 1902, as general yardmaster on the Union Pacific at Green River, Wyo. In August, 1906, he was promoted to trainmaster on the Oregon Short Line (now part of the Union Pacific system) at Ogden, Utah, and later served as trainmaster at Cheyenne, Wyo., and yardmaster at Ogden. On January 16, 1913, he went with the Illinois Central as trainmaster at Centralia, Ill., and on July 1, 1915, he was transferred to Memphis, Tenn. On April 1, 1917, Mr. Umshler was transferred to Chicago and four months later he was promoted to superintendent of the Chicago Terminal division, the position he held until his retirement.

**James W. Kern**, superintendent of the Kentucky division of the Illinois Central, with headquarters at Paducah, Ky., whose retirement on July 1, because of ill health, was reported in the *Railway Age* of June 28, was born at Alexandria, Va., on July 26, 1887, and attended Washington & Lee University, Lexington, Va. He entered railway service in 1905 as a chairman in the engineering department of the Illinois Central, later being promoted successively to rodman, instrumentman, resident engineer, assistant engineer and supervisor of track. During the first World War he served with the 13th Engineers of the U. S. Army successively as 2nd lieutenant, 1st lieutenant and captain. He returned to the Illinois Central in 1919 as division engineer of the Mississippi division, later being transferred to the St. Louis division. In 1923 he was promoted to district engineer with headquarters at New Orleans, La., and in 1929 he was advanced to superintendent of the Springfield division, with headquarters at Clinton, Ill. Mr. Kern was transferred to the Kentucky division in 1935.

**E. F. Nassoiv**, assistant superintendent on the Southern Pacific, with headquarters at Dunsmuir, Calif., has been promoted to superintendent of the Shasta division, a newly created division, with the same headquarters, and **T. F. Custer** has been appointed assistant superintendent of the Shasta division, with headquarters at Dunsmuir. **M. L. Jennings**, assistant to the general manager, with headquarters at San Francisco, Calif., has been advanced to superintendent of the San Joaquin division, with headquarters at Bakersfield, Calif., relieving **J. D. Brennan**, who retired on July 1, and **F. W. Cantrell**, has been appointed assistant superintendent at Bakersfield, replacing **S. H. Bray**, transferred. **J. W. Corbett**, assistant to the general manager at San Francisco, has been promoted to superintendent of the Portland division, with headquarters at Portland, Ore., succeeding **E. L. King**, whose appointment as assistant to the vice-president in charge of operations is reported elsewhere in these columns. **E. D. Moody** has been appointed terminal superintendent, with headquarters at Oakland Pier, Calif., and **A. S. McCann** has been appointed assistant terminal superintendent at Oakland Pier. **A. F. Green** has been appointed

assistant superintendent of the Salt Lake division, with headquarters at Sparks, Nev., relieving **W. H. Marlin**, who has been transferred to the Los Angeles division, with headquarters at Los Angeles, Calif. **B. S. Bauman** has been appointed assistant superintendent of the Coast division, with headquarters at San Luis Obispo, Calif.

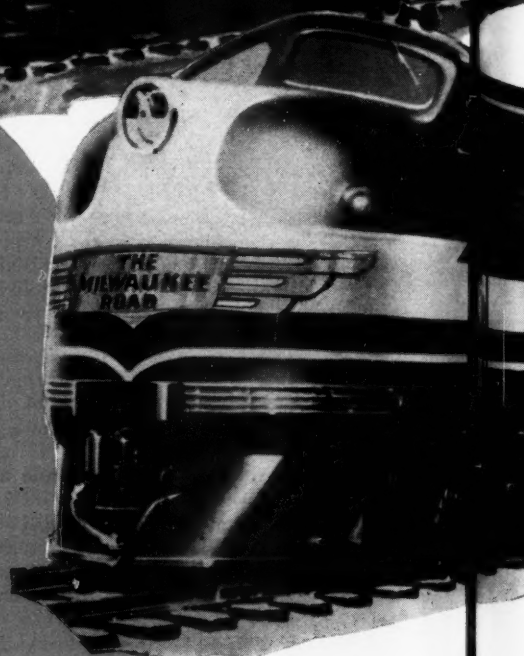
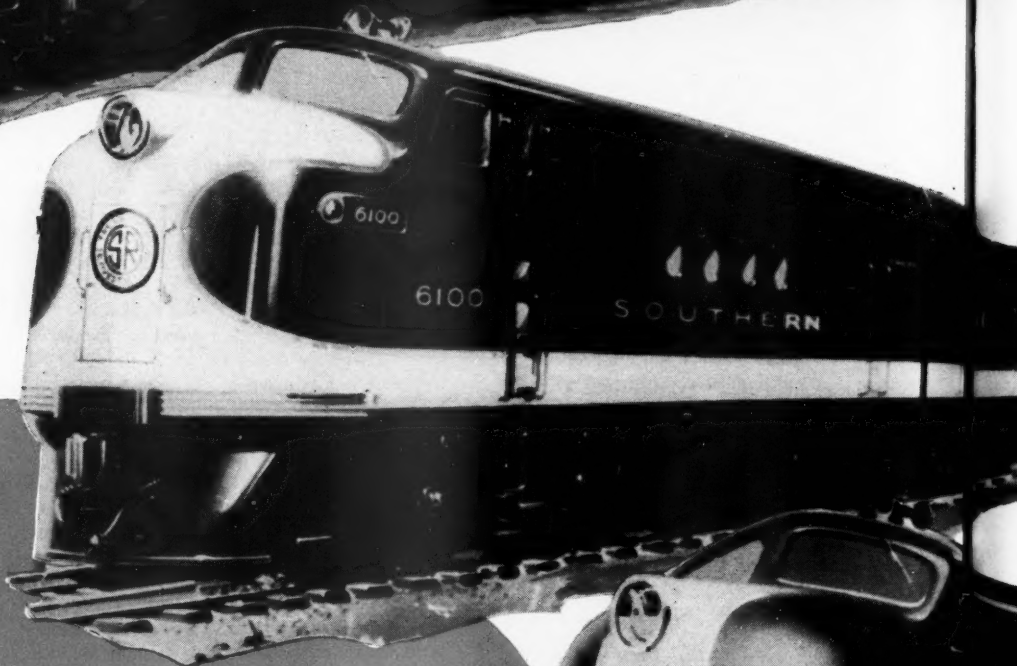
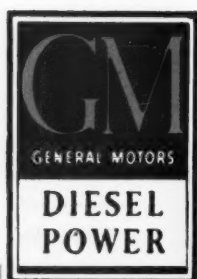
**John J. Duggan**, whose promotion to superintendent of the Western division of the Western Pacific, with headquarters at Sacramento, Calif., was reported in the



John J. Duggan

*Railway Age* of May 31, was born at Endicott, Neb., on November 2, 1887, and entered railway service in December, 1904, serving successively as an agent, telegrapher and dispatcher on the Chicago, Burlington & Quincy at Wymore, Neb. In January, 1910, he went with the Denver & Rio Grande Western as a train dispatcher at Salt Lake City, later serving on the Southern Pacific as a dispatcher and chief dispatcher at Bakersfield, Calif. From May, 1918, to August, 1919, he served as first lieutenant of the 31st Engineers, seeing service in France. In January, 1920, Mr. Duggan returned to railroad service as a dispatcher on the Western Pacific at Sacramento, a short time later being advanced to chief dispatcher. He was then promoted to trainmaster at Wendover, Utah, and later transferred successively to Keddie, Calif., and Stockton, being located at the latter point at the time of his recent promotion, which was effective June 1.

**Gideon J. Willingham**, whose promotion to superintendent of the Illinois division of the Illinois Central, with headquarters at Champaign, Ill., was reported in the *Railway Age* of June 28, was born at Maxfield, Ky., on February 12, 1900, and attended college for two years. He entered railway service on September 10, 1917, as a rodman on the Illinois Central at Fulton, Ky., and on September 8, 1922, was promoted to instrumentman at Carbondale, Ill. On November 1, 1923, he was appointed general foreman at East St. Louis, Ill., and six months later he was appointed resident engineer at that point. On March 1, 1926, he was transferred to the Edgewood-Fulton cut-off and on May 1, 1928, he was appointed track supervisor, with headquarters



**F**LEXIBILITY OF OPERATION  
**R**EDUCTION IN NUMBER OF LOCOMOTIVES  
**E**CONOMICAL PERFORMANCE  
**I**MPROVED TUNNEL OPERATION  
**G**REATER OPERATING EFFICIENCY  
**H**ELPER SERVICE MINIMIZED  
**T**RACK MAINTENANCE REDUCED

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*Economy*



at Bluford, Ill. Mr. Willingham was promoted to supervisor of trains and tracks at Metropolis, Ill., on August 15, 1930, and



Gideon J. Willingham

on April 1, 1937, he was advanced to trainmaster at Fulton, Ky. He was later transferred to Council Bluffs, Iowa, and Champaign, being located at the latter point at the time of his recent promotion, which was effective July 1.

### TRAFFIC

George R. Newton has been appointed general agent on the Atlantic Coast Line at Rochester, N. Y., and S. E. Strickland has been appointed general agent at Boston, Mass.

C. P. Bradley, district freight and passenger agent for the Chicago, Rock Island & Pacific at Detroit, Mich., has been promoted to general agent, passenger department, at that point.

D. H. Beck has been appointed general eastern passenger agent of the Southern, with headquarters at New York, to succeed G. M. Lawrence, who has been appointed assistant general passenger agent at Atlanta, Ga.

W. T. Vardaman, general agent for the Chicago, Burlington & Quincy at Atlanta, Ga., has been transferred to Birmingham, Ala., and H. B. Howe, commercial agent at Birmingham, has been transferred to Atlanta.

A. J. Lowe, a traffic representative for the Missouri Pacific at Denver, Colo., has been promoted to general agent at Grand Junction, Colo., succeeding C. M. Entrenkin, who has been transferred to other duties.

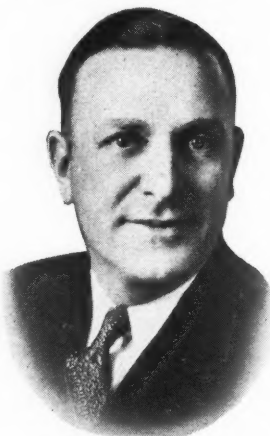
John G. Naughton has been appointed superintendent of traffic of the Indiana Railroad, with headquarters at Indianapolis, Ind., succeeding Charles D. Hardin, whose appointment as traffic manager of the Southern Indiana Railway, Inc., was reported in the *Railway Age* of June 28.

Robert S. Hirsch, assistant general freight agent on the Atchison, Topeka & Santa Fe at Kansas City, Mo., has been promoted to general eastern freight agent, with headquarters at New York, succeeding John A. Fitzgerald, who has been ad-

vanced to general freight agent of the Gulf, Colorado & Santa Fe, with headquarters at Galveston, Tex. H. E. Everheart, assistant general freight agent on the G. C. & S. F. at Galveston, has retired.

Lloyd C. Bundy, whose promotion to northern traffic manager of the Illinois Terminal, with headquarters at Chicago, was reported in the *Railway Age* of June 28, was born at Decatur, Ill., on March 4, 1892, and entered railway service on August 1, 1910, as assistant ticket agent on the Illinois Terminal at Decatur. On May 1, 1912, he was promoted to freight cashier and on February 15, 1915, he was advanced to general agent at Decatur. Mr. Bundy was appointed division freight agent, with headquarters at Peoria, Ill., on April 1, 1929, and on May 25, 1936, he was promoted to general freight agent, with headquarters at Peoria, Ill., on April 1, 1929, and on May 25, 1936, he was promoted to general freight agent, with headquarters at St. Louis, Mo., which position he held until his recent promotion, effective June 15.

Ingram C. Bruce, assistant general passenger agent on the Chicago, Rock Island & Pacific, has been promoted to general passenger agent, a newly created position, with headquarters as before at



Ingram C. Bruce

Chicago. Mr. Bruce was born at Mineola, Tex., on September 9, 1895, and entered railway service during the summer of 1911 as a clerk on the Texas & Pacific at Longview, Tex., later serving in various clerical positions, as a ticket clerk in the Union Station at Texarkana, Ark., and as city ticket agent for the T. & P. at Ft. Worth, Tex. Mr. Bruce entered the service of the Rock Island in 1917 as city passenger agent at Ft. Worth and a short time later enlisted in the U. S. Army air service. After the war he became assistant sales manager for Libby, McNeil & Libby at Ft. Worth, and in January, 1920, he became joint city ticket agent at Ft. Worth for the Rock Island, the Southern Pacific and the St. Louis Southwestern. A year later he was appointed traveling freight and passenger agent for the Rock Island at San Antonio, Tex., and in 1926 he was transferred to El Paso, Tex. Mr. Bruce was promoted to district passenger agent at El Paso in January, 1927, and a year later he was advanced to general agent, passenger department, at that point. In 1936 he was

transferred to Denver, Colo., and on October 1, 1938, he was transferred to Minneapolis, Minn. On June 1, 1939, he was promoted to assistant general passenger agent in charge of solicitation, with headquarters at Chicago.

Philip E. Geil, whose appointment as passenger traffic manager of the Gulf, Mobile & Ohio, with headquarters at Mobile, Ala., was reported in the *Railway Age* of June 21, was born at St. Louis, Mo., on March 4, 1906, and entered railway service on September 1, 1920, as an office boy on the Mobile & Ohio (now part of the Gulf, Mobile & Ohio). On July 1, 1921, he was appointed junior clerk, and on December 1, 1922, he was promoted to clerk. Mr. Geil was advanced to executive clerk on June 1, 1928, and on October 1, 1931, he was appointed special representative. On April 1, 1936, he was appointed chief clerk to the chief traffic officer, and on September 1, 1937, he was advanced to assistant general freight agent. When the Mobile & Ohio was merged with the Gulf, Mobile & Northern to form the Gulf, Mobile & Ohio, Mr. Geil was appointed manager of merchandise traffic of the latter road and also traffic manager of the Gulf Transport Company, the Mobile & Ohio Transportation Company and the Mobile & Ohio Transportation Company of Illinois (highway subsidiaries). With his appointment as passenger traffic manager on June 1, Mr. Geil will continue to hold the position of manager of merchandise traffic, and traffic manager of the highway subsidiaries.

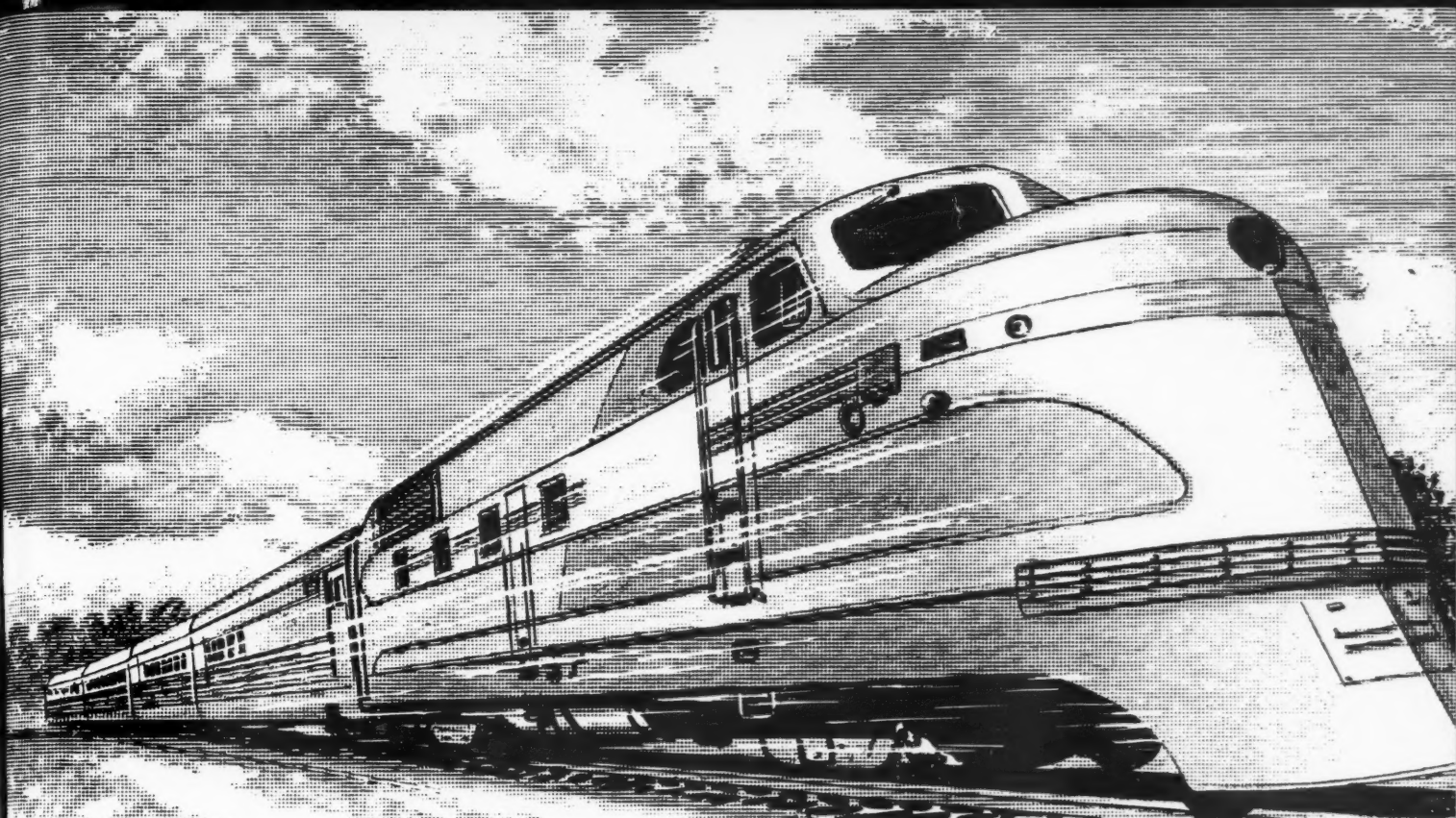
W. G. Peoples, assistant to the general traffic manager of the Southern Pacific, with headquarters at Chicago, has been promoted to assistant general traffic manager, a newly created position, with the same headquarters, and F. C. Tighe, assistant general freight agent of the Southern Pacific steamship lines, with headquarters at New York, has been appointed assistant to the general traffic manager at Chicago, succeeding Mr. Peoples. H. F. Starke, general agent, freight department, at New York, has been promoted to general western freight agent, a newly created position, with headquarters at Chi-



W. G. Peoples

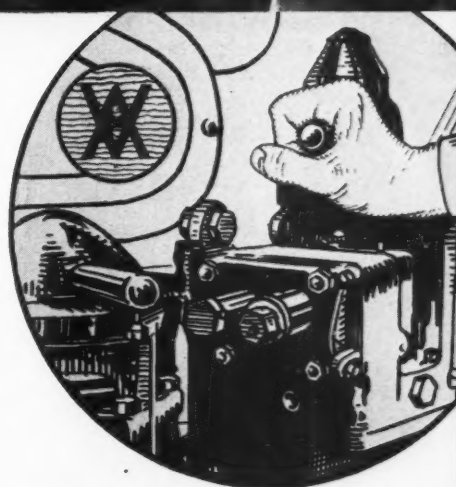
cago. J. J. Kane, assistant general agent, freight department, at Chicago, has been advanced to general agent, freight depart-





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**WESTINGHOUSE AIR BRAKE CO.**

**WILMERDING, PENNSYLVANIA**

ment, at that point, succeeding **Press Bancroft**, whose death on May 13 was reported in the *Railway Age* of May 24. **F. M. Lally**, assistant general agent, freight department, at New York, has been advanced to general agent, freight department, at that point, replacing Mr. Starke.

Mr. Peoples was born in Opp, Ala., on September 26, 1899, and first entered railway service as a stenographer-clerk in the general freight office of the Louisville & Nashville on August 15, 1916. On October 15, 1916, he transferred to the general agent's office at Jacksonville, Fla., and on January 1, 1917, he was promoted to chief clerk in that office. During the war Mr. Peoples served in the bureau of yards and docks of the U. S. Navy, and after the war returned to the service of the L. & N. as chief clerk in the general agent's office at Mobile, Ala. He left the L. & N. to go with the Southern Pacific as traveling agent at Birmingham, Ala., on February 15, 1920, and on February 15, 1937, he was promoted to general agent at Atlanta, Ga. On June 1, 1938, Mr. Peoples was advanced to assistant to the general traffic manager at Chicago, which position he held until his recent promotion, effective June 15.

**John E. Anderson**, freight traffic manager on the New York Central (Big Four) at Cincinnati, Ohio, has been promoted to freight traffic manager, with headquarters at Cleveland, Ohio, succeeding **Frederick O. Stafford**, who retired on July 1. **Joseph A. Keegan**, general freight agent at Cincinnati, has been advanced to freight traffic manager at that point, relieving Mr. Anderson, and **J. H. Norwood**, general freight agent at Chicago, has been transferred to Cincinnati, replacing Mr. Keegan. **Leroy Blue**, general freight agent of the Pittsburgh & Lake Erie, with headquarters at Pittsburgh, Pa., has been appointed general freight agent on the New York Central at Chicago, succeeding Mr. Norwood.

Mr. Anderson was born at Lawrence, Kan., on October 15, 1887, and attended the Lawrence Business College and the St. Louis College of Law. He entered railroad service on May 18, 1905, as clerk to the commercial agent of the Big Four at Kan-



John E. Anderson

sas City, Mo., later being advanced to rate clerk and city freight agent at St. Louis, Mo. On September 15, 1909, he was transferred to Chicago and served there as trav-

eling freight agent and chief clerk. On June 1, 1912, he was promoted to commercial agent at Detroit, Mich., and on February 15, 1917, he was advanced to general agent at Cincinnati. On April 15, 1918, he was appointed division freight agent at Cincinnati, later being transferred to Cleveland. Mr. Anderson was promoted to assistant general freight agent on January 15, 1925, and on June 1, 1928, he was advanced to general freight agent, with headquarters at Cincinnati. On February 1, 1930, he was promoted to freight traffic manager at that point, the position he held until his recent promotion.

Mr. Stafford was born at Tiverton, Ont., on June 16, 1876, and after attending the Ontario School of Pedagogy, Toronto, Ont., entered the railway service in April, 1900, with the Merchants Despatch Transportation Company, a subsidiary of the New York Central. Later he served with



Frederick O. Stafford

this company at Sioux City, Iowa, Kansas City, Mo., Des Moines, Iowa, and St. Louis, Mo., and in January, 1911, he became general westbound agent of the New York Central at Chicago. In August, 1917, he was advanced to manager of the New York Central Fast Freight Lines at Chicago, where he remained until July, 1920, when he was appointed general freight and passenger agent of the Rutland, with headquarters at Rutland, Vt. Mr. Stafford returned to the New York Central in August, 1924, as assistant freight traffic manager of the lines west of Buffalo at Chicago, then being promoted to freight traffic manager of the same territory in December, 1926. He was further promoted to assistant traffic manager of the lines west of Buffalo in November, 1927, and on February 1, 1930, he was promoted to traffic manager. In 1931 Mr. Stafford was advanced to assistant vice-president, with headquarters at Buffalo, N. Y., and in 1935 he was appointed freight traffic manager, with headquarters at Cleveland, the position he held until retirement.

## MECHANICAL

**E. E. Hinchman**, master mechanic on the Southern Pacific at Bakersfield, Calif., has been promoted to superintendent of the Los Angeles general shops, with headquarters at Los Angeles, Calif., succeeding **G. B. Hart**, who has been granted a leave

of absence, and **F. E. Molloy**, has been appointed master mechanic at Bakersfield, replacing Mr. Hinchman. **B. F. Madden**, assistant master mechanic at Sparks, Nev., has been advanced to master mechanic of the newly-created Shasta division, with headquarters at Dunsmuir, Cal. **E. R. Auton**, assistant master mechanic at West Oakland, Cal., has been promoted to master mechanic of the Western division, with the same headquarters, succeeding **L. A. Mitchell**, deceased. **G. C. Bogart** has been appointed assistant master mechanic at West Oakland, relieving Mr. Auton, and **R. E. Harrison** has also been appointed assistant master mechanic at West Oakland.

**F. C. Watrous**, road foreman of engines of the Pittsburgh & Shawmut, has been appointed superintendent of the transportation and mechanical departments, with headquarters as before at Kittanning, Pa.

**E. J. Burck**, master mechanic on the Michigan Central at St. Thomas, Ont., has been transferred to Jackson, Mich., succeeding **F. P. Neesley**, whose death on June 12 is announced elsewhere in these columns.

**M. R. Benson**, assistant superintendent equipment of the Michigan Central, has been promoted to superintendent of equipment, with headquarters as before at Detroit, Mich., succeeding **J. F. Jennings**, who retired on June 30 after 50 years of service.

**Harry E. Hinds**, assistant mechanical engineer of the Chicago, Burlington & Quincy, has been promoted to mechanical engineer, with headquarters as before at Chicago, succeeding **Emil C. Anderson**, who retired on pension on July 1, after 47 years railway service.

**A. H. Ream**, superintendent of motive power and equipment of the Pittsburgh & Shawmut, with headquarters at Brookville, Pa., has retired from active duty at his own request, effective June 30, after 48 years of railroad service, 25 years of which has been in the service of the Pittsburgh & Shawmut.

## ENGINEERING AND SIGNALING

**L. H. Bond, Jr.**, track supervisor on the Illinois Central at Eindhoven, Ill., has been promoted to assistant engineer, with headquarters at Chicago.

**G. M. Taylor**, district engineer on the Southern Pacific at Dunsmuir, Calif., has been appointed division engineer of the newly-created Shasta division, with the same headquarters.

**James M. Nicholson**, mechanical superintendent of the Western district, Eastern lines, of the Atchison, Topeka & Santa Fe, with headquarters at Topeka, Kan., has been promoted to general assistant, mechanical department, a newly created position, with headquarters at Chicago. **Warren P. Hartman**, master mechanic of the Kansas City and Eastern divisions, with headquarters at Argentine, Kan., has been advanced to mechanical superintendent of the Western district,





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# HUNT-SPILLER GUN IRON

*Air Furnace*

Eastern lines, replacing Mr. Nicholson, and **Paul J. Danneberg**, master mechanic on the Albuquerque division at Winslow, Ariz., has been transferred to Argentine, relieving Mr. Hartman.

**W. G. Reid**, master mechanic of the Rio Grande division of the Southern Pacific, with headquarters at El Paso, Tex., has been promoted to assistant superintendent of motive power, with the same headquarters, a newly created position at that point, and **F. E. Russell, Jr.**, assistant master mechanic at Roseville, Cal., has been advanced to master mechanic at El Paso, succeeding Mr. Reid.

### SPECIAL

**Dr. E. Celli** has been appointed assistant chief surgeon of the Illinois Central system, with headquarters at New Orleans, La.

**John N. Schroeder** has been appointed chief special agent of the Wabash, with headquarters at St. Louis, succeeding **Grant S. Ward**, who retired on June 30.

### OBITUARY

**F. P. Neesley**, master mechanic on the Michigan Central at Jackson, Mich., died suddenly at his home in that city on June 12.

**William Lee Anglin**, retired assistant superintendent of the Radford division of the Norfolk & Western, died on May 16 at his home in Portsmouth, Ohio, after an extended illness.

**Edgar W. Young**, general solicitor of the Baltimore & Ohio, with headquarters at Baltimore, Md., died on June 26 of a heart attack at his home in that city, at the age of 57. A photograph of Mr. Young and a biographical sketch of his railway career were published in the *Railway Age* of November 16, 1940, in connection with his appointment as general solicitor.

**J. P. Murphy**, who retired in 1932 as assistant to the vice-president of the New York Central in charge of purchases and

stores, with headquarters at Cleveland, Ohio, died on June 26, at his home in Mentor, Ohio. Mr. Murphy was born at Waukesha, Wis., on October 20, 1863, and entered railway service in 1882 as a messenger boy in the office of the general storekeeper of the Chicago, Milwaukee, St. Paul & Pacific, later being promoted to assistant storekeeper at Mason City, Iowa. He then went with the Milwaukee, Lake Shore & Western (now part of the Chicago & North Western) as division storekeeper at Ashland, Wis., later serving as storekeeper on the C. & N. W. at Clinton, Iowa. He then went with the Lake Shore & Michigan Southern (now part of the New York Central) as district storekeeper at Elkhart, Ind. In February, 1902, he was promoted to general storekeeper of the lines which are now included in the New York Central lines west of Buffalo. He was later appointed stores assistant to the manager of purchases and stores of the New York Central, with headquarters at Cleveland, and then assistant to the vice-president in charge of purchases and stores, with the same headquarters. Mr. Murphy was one of the organizers of the Railway Storekeepers Association, predecessor of the Purchases and Stores division of the Association of American Railroads, and was president during the first two years of its existence from 1904-1905.

**George Franklin Hess**, who retired on April 18, 1940, as superintendent of motive power of the Wabash, with headquarters at Decatur, Ill., died on June 27 at Martinsville, Ind. He had been in poor health for some time. Mr. Hess was born at Ft. Wayne, Ind., on January 1, 1872, and entered railway service as a messenger boy in the mechanical department of the Pennsylvania in 1886. In March, 1887, he became a machinist apprentice in the Pennsylvania shops at Ft. Wayne, and four years later he was appointed a machinist. He later served the Cleveland & Pittsburgh (now part of the Pennsylvania) at Wells-ville, Ohio; the Cleveland, Canton & Southern (now part of the Wheeling & Lake Erie) at Canton, Ohio; the Atchison,

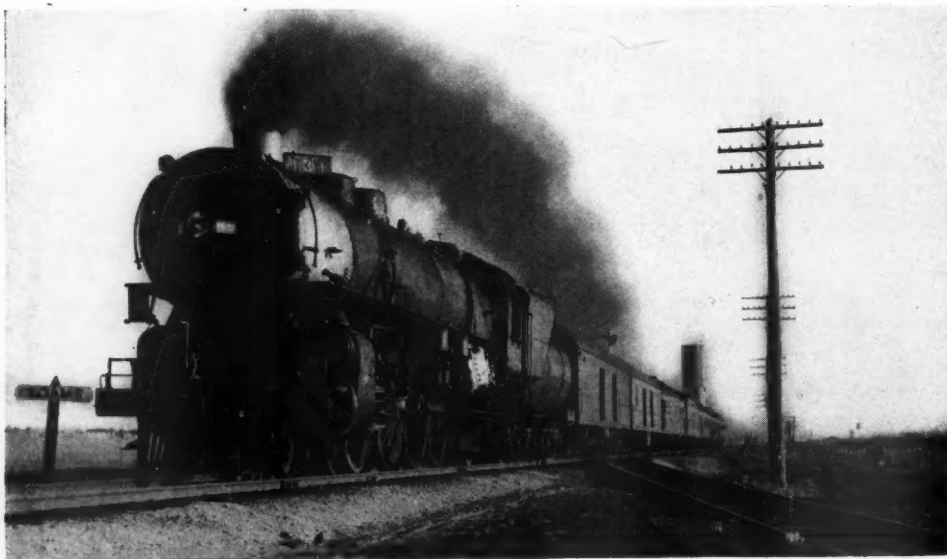
Topeka & Santa Fe, at Raton, N. M.; the Cleveland, Cincinnati, Chicago & St. Louis (Big Four), at Wabash, Ind.; and the Wabash at Ft. Wayne, Ind. In September, 1897, he was promoted to round-house foreman at Montpelier, Ohio, and short time later was transferred to Delray, Mich. In May, 1899, he went with the Grand Trunk Western as general foreman



George Franklin Hess

at Detroit, Mich., and later served the Chicago, Rock Island & Pacific as engine-house foreman at Pratt, Kan., and at Caldwell, Kan. In July, 1902, Mr. Hess was advanced to general foreman of the 47th Street (Chicago) shops, and in March, 1903, he went with the Baltimore & Ohio as erecting foreman at Newark, Ohio. One month later, he was appointed general foreman at South Chicago, and in June, 1903, he was promoted to master mechanic at Lorain, Ohio. In November, 1910, he was transferred to Chillicothe, Ohio, and on August 1, 1911, he was appointed superintendent of machinery of the Kansas City Southern, with headquarters at Pittsburg, Kan. Mr. Hess was appointed superintendent of motive power of the Wabash, with headquarters at Decatur, Ill., on June 1, 1920, holding that position until his retirement.

\* \* \*



The Union Pacific's  
"City of Cheyenne"  
Streaks Through  
Adams, Colo., at 70  
m.p.h.

Photo by R. H. Kindig, Denver, Colo.